

**1980
Executive Report**

**Funding Costs and Liabilities
of Large Corporate Pension Plans**

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Table of Contents

Introduction, Method, Highlights, Conclusion	1
1. Number of Corporations Surveyed	5
2. Change in Pension Cost, 1979 from 1978	7
3. Change in Pretax Profits, 1979 from 1978	12
4. Pension Cost as a Percent of Pretax Profits, 1979 and 1978	16
5. Change in Number of Employees, 1979 from 1978	20
6. Change in Pension Cost per Employee, 1979 from 1978	24
7. Pension Cost as a Percent of Wages and Salaries, 1979 and 1978	28
8. Unfunded Vested Liabilities as a Percent of Net Worth, 1979 and 1978	32
9. Unfunded Past Service Liabilities as a Percent of Net Worth, 1979 and 1978	36
10. Plan Assets as a Percent of Total Vested Liabilities, 1979	40
11. Plan Assets as a Percent of Total Past Service Liabilities, 1979	44
12. Unfunded Vested Liabilities as a Percent of Pretax Profits, 1979 and 1978	48
13. Unfunded Past Service Liabilities as a Percent of Pretax Profits, 1979 and 1978	52
Appendix A, Miscellaneous Information	56
Appendix B, Alphabetical List of Corporations Whose Annual Reports Were Surveyed	59

Introduction

The **1980 Executive Report on Funding Costs and Liabilities of Large Corporate Pension Plans** is the most recent in an annual series which has chronicled the impact of pension costs on large corporations. The series also seeks to determine whether pension funds are adequate to provide the promised benefits. This is our third published report on the subject.

For the past few years, American business has experienced a slew of legislative, economic and social pressures that, in one way or another and to a greater or lesser extent, have affected pension plans and have significantly impacted on the plan sponsors. In 1976, there was a flurry of activity to implement the flood of regulations coming out of Washington in accordance with the then almost-brand-new Employee Retirement Income Security Act (ERISA). This process is still going on, although at a slower pace. 1977 saw the stock market go sour. The Dow Jones Industrial Average at year-end 1976 closed at 1004, only to drop to 831 one year later. Only fairly recently has the overall securities market started looking brighter. Certain sectors such as energy companies have shown marked strength but many cyclical industries are still in a rut.

The following two years witnessed "voluntary" wage and price guidelines, Social Security Act amendments, and an energy crisis — the last of which has had such far-reaching effects on U.S. corporate profits that its full impact is yet to be realized. And whatever influences profits will affect the way pension plan costs impact on those profits.

The Age Discrimination in Employment Act was amended, effective in 1979, to increase the mandatory retirement age ceiling to 70. As people work longer (and such a trend has been predicted by many economists and demographers, as well as by J&H surveys), and as pension plans are amended to take that fact into consideration, we will undoubtedly see another significant dent made by pension plans vis-a-vis their corporate sponsors and their own fiscal status. It is still too soon to assess what this may mean in dollars.

The statistics studied in prior Johnson & Higgins **Executive Reports** have reflected these factors. Future ones will mirror other events. (One scenario to anticipate is the final recommendations, and their possible implementation, of the President's Commission on Pension Policy, scheduled for release in 1981).

This **1980 Executive Report** presents the results and conclusions of our third annual study of how pension cost impacts on the corporation and whether such funds are adequate to pay promised benefits.

Method

Data was extracted from 1979 annual reports to shareholders for 477 of the Fortune 500 Industrial corporations and 173 of the Fortune 50 Largest Non-Industrial Commercial Banking, Retailing, Transportation and Utilities corporations. For companies whose fiscal years ended within the first three months of 1980, their 1980 annual reports were used. The information in each section of this

report is presented by Fortune 100 Industrial group, by industry group (as categorized by the U.S. Office of Management and Budget) and by Fortune 50 Non-Industrial group. Unless otherwise specified, references in the Report to the Fortune 500 "Industrial companies" and the "Non-Industrial companies" cover only those companies for which data was extracted in each of the following Exhibits.

Pension cost figures contained in this report are those for defined benefit plans only. (Forty-four companies, however, disclosed that their pension costs included profit sharing contributions.) They do not generally include defined contribution plan costs, although it is recognized that some companies may have aggregated the cost of all their plans and not disclosed that fact. Plan costs may also include those of foreign plans whose costs may not have been segregated. Taking into consideration these factors, it is reasonably certain that the overwhelming majority of pension costs are those of domestic, defined benefit plans. Contributions to multiemployer plans, if reported separately, were added to plan costs. Contributions to Employee Stock Ownership Plans and Tax Reduction Act Stock Ownership Plans were not.

Figures for unfunded past service and unfunded vested liabilities used in Exhibits 8 through 13 are those reported in the corporations' annual reports. It is acknowledged that different assumptions and methods can produce varying liability figures, yet the large sample here still provides a good indication of the unfunded status.

The quality of the underlying data should improve in the **Executive Report** for 1980 fiscal years by virtue of Financial Accounting Standards No. 36 (an amendment to Accounting Principles Board Opinion No. 8), "Disclosure of Pension Information." The Standards require some degree of uniform disclosure of vested and nonvested benefits and net assets. They are effective for fiscal years starting after December 15, 1979, therefore affecting all 1980 annual reports to shareholders. Although the new standards fall short of full comparability among companies, there will be greater convergence in the meaning of the various funding figures. The figures relating to the present value of accumulated vested and nonvested benefits should be particularly useful for analysis.

Corporations represented in this report were directly contacted for only one piece of information: the market value of their pension plans' net assets (Exhibits 10 and 11). All other data was taken directly from the annual reports to shareholders.

The survey results are displayed through the use of graphs and tabular Exhibits. Data is reported numerically and as a percent; that is, for each comparison, both the number of companies and the percent of companies included in any Fortune or industry group are given for that particular comparison.

Additional information on retirement plans or areas that affected them which was disclosed in the annual reports but not included in the Exhibits is presented in Appendix A on page 56.

Highlights

The figures below represent 1979 and 1978 statistics culled from 1979 annual reports to shareholders. Figures for years prior to those were taken from previous **Executive Reports**. Note that the universe of companies changes from year to year. Thus, a comparison of percentage and dollars to prior Reports is not exact.

- The Fortune 500 Industrial companies spent \$20 billion in pension cost in 1979, up 15.9 per cent. This is consistent with the 1978 pension cost increase of 15.7 per cent. Pension cost of more than \$6 billion for Non-Industrials in 1979 reflects an increase of 14.1 per cent, as compared to a 1978 rise of 17.6 per cent.
- Pretax profits of \$163.9 billion were up by 20.8 per cent for the Industrial group of companies (1978, 12.4 per cent). Non-Industrials witnessed a 5.8 per cent rise, on profits of \$44.2 billion, down from a 16.6 per cent increase in 1978.
- Pension cost as a percent of pretax profits in 1979 was 12 per cent for Industrial firms (1978, 12.5 per cent); for Non-Industrials, that figure was 14.3 per cent in 1979 (13.3 per cent, 1978). For both years, this amounts to about one and one-half months of pretax profits.
- Employment levels at Fortune 500 firms rose 3.7 per cent in 1979 to almost 16 million people (1978, 4.8 per cent). Employment was up 4.6 per cent at Non-Industrial firms (1978, 2.6 per cent). Survey participants, in total, employed more than 21 million workers.
- Pension cost per employee averaged \$1,243 at the Industrial firms, up 11.8 per cent from 1978's \$1,111 (1977, \$996). Non-Industrials came in with a slightly lower increase — 9.1 per cent, for an average \$1,173 in pension cost per employee (1978, \$1,075; 1977, \$947).
- As a percent of wages and salaries, pension cost remained fairly constant at 7.3 per cent in 1979 (7.1 per cent in 1978 and 7 per cent in 1977) for Industrial companies. For Non-Industrials, those statistics were 6.7 per cent, 1979; 6.6 per cent, 1978; 6.9 per cent, 1977.
- Unfunded liabilities — both vested and past service — as a percent of net worth shows a downward movement. The 444 Industrial companies in this Report had unfunded vested liabilities of 7.3 per cent of net worth in 1979 (7.6 per cent in 1978). In 1979, 28 per cent had no unfunded vested liabilities at all. Unfunded past service liabilities equalled 11.9 per cent of net worth in 1979, down from 12.3 per cent in 1978.

- Non-Industrial companies had unfunded vested liabilities of 1.5 per cent of net worth in 1979 (1.7 per cent in 1978). Unfunded past service liabilities as a percent of net worth were 5.6 per cent and 5.9 per cent, respectively, in 1979 and 1978.
- Vested liabilities were 80 per cent funded for the plans of Fortune Industrial firms in 1979, and 94 per cent funded for the Non-Industrials, up from 77 per cent and 93 per cent, respectively, in 1978.
- If corporations were forced to fund all vested liabilities, Industrials could do so, in the aggregate, with less than ten weeks of 1979 pretax profits. Unfunded vested liabilities in 1979 were 19.3 per cent of pretax profits, down from 22.8 per cent in 1978 (25 per cent in 1977). Unfunded past service liabilities were 33.1 per cent of pretax profits — or less than three months' worth — in 1979 and 39.1 per cent in 1978 (48.1 per cent in 1977). In actuality, amortization periods are determined, within ERISA and IRS limits, on the basis of appropriate financial planning.

Conclusion

Maintaining a pension plan continues to cost more and more every year in terms of absolute dollars. However, these increases are consistent with the growth of pretax profits. For each of the past three years, pension cost has hovered around 12 per cent of pretax profits at large Industrial firms, just as it has stayed around 7 per cent of wages and salaries. As such, these costs are not a major burden for, and should be easily managed by, most of these corporations.

Unfunded vested liabilities and total past service liabilities measured both as a percent of net worth and as a percent of pretax profits have been steadily decreasing since our first **Executive Report** was issued.

The statistics developed throughout this report point up the undeniable truth that most large corporate pension plans are, on average, well funded, that they are not a huge drain on corporate profits and that they will be able to pay promised benefits. We would caution, however, that there are a few large financially troubled companies which could encounter severe funding problems and/or cause an intolerable burden on the Pension Benefit Guaranty Corporation (PBGC).

Pension plans have adapted — and adapted well — to the many economic, legislative, and social changes, as noted in the Introduction, that have occurred over the past few years. By the looks of it, they will continue to exhibit this versatility — even with the continuing pressures of heavy inflation.

650 of 700 Fortune Industrial and Non-Industrial firms are included in this survey

1. Number of Corporations Surveyed

Of the Fortune 500 Industrial group of companies, 477 corporations — or 95 per cent — are represented in the following pages (see Exhibit 1, page 6, for breakdown). Seventeen — or 63 per cent — of the 27 industry categories to which the 500 Industrials belong are fully represented. The Fortune 50 Largest Non-Industrial groups (four categories) also have a good showing; statistics for 173 of the 200 Non-Industrial companies (87 per cent) are presented throughout the survey. All 50 companies in both the commercial bank and utilities Non-Industrial groups are represented herein.

All totalled, 650 of the 700 (93 per cent) Fortune Industrial and Non-Industrial firms are included in this survey. Of the 50 which are not, annual reports to shareholders (from which our data were taken) for sixteen companies could not be obtained. Other reasons for non-inclusion were: fifteen companies sponsored profit-sharing plans only; four had no pension or profit-sharing plan; the statistics for three more were not comparable on a year-to-year basis due to recent adoption of a plan (two companies) and change in fiscal year (one company); four were foreign-owned; two companies were purchased; one is no longer a public firm; one is in Chapter XI bankruptcy; and four Non-Industrials are subsidiaries of Fortune 500 firms whose pension statistics were reported and included in their parent companies' data.

This large sample, therefore, provides a high degree of significance to the figures and conclusions presented throughout this report.

An alphabetical list of the 650 annual reports to shareholders that were surveyed for this study can be found in Appendix B on page 59.

EXHIBIT 1 Survey Participants, 1979

	Number of Companies in Fortune Universe	Number of Companies in J&H Survey	Percent of Fortune-Ranked Companies in J&H Survey
BY FORTUNE 500 INDUSTRIAL GROUP			
Fortune 1-100	100	97	97%
Fortune 101-200	100	100	100%
Fortune 201-300	100	93	93%
Fortune 301-400	100	93	93%
Fortune 401-500	100	94	94%
Total	500	477	95%
BY INDUSTRY GROUP			
Mining, crude oil production	12	12	100%
Food	54	50	93%
Tobacco	5	5	100%
Textiles, vinyl flooring	13	13	100%
Apparel	9	9	100%
Furniture	1	1	100%
Paper, fiber and wood products	30	30	100%
Publishing, printing	13	12	92%
Chemicals	39	36	92%
Petroleum refining	36	36	100%
Rubber, plastic products	7	7	100%
Leather	2	2	100%
Glass, concrete, abrasives, gypsum	15	15	100%
Metal manufacturing	41	40	98%
Metal products	29	26	90%
Electronics, appliances	34	30	88%
Shipbuilding, railrd., trans. equip.	7	5	71%
Measuring, scient., photo equip.	17	17	100%
Motor vehicles	21	21	100%
Aerospace	12	12	100%
Pharmaceuticals	17	15	88%
Soaps, cosmetics	8	6	75%
Office equipment (incl. computers)	12	11	92%
Industrial & farm equipment	44	44	100%
Musical instr., toys, sporting goods	4	4	100%
Broadcasting, motion picture prod., dist.	6	6	100%
Beverages	12	12	100%
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP			
Commercial banking	50	50	100%
Retailing	50	33	66%
Transportation	50	40	80%
Utilities	50	50	100%
Total	200	173	87%

Average pension cost per company for the Industrials was \$41.2 million in 1979

2. Change in Pension Cost, 1979 from 1978

Pension cost for the 477 Fortune 500 Industrial companies in this survey increased, on average, by 15.9 per cent in 1979. A slightly lower increase of 14.1 per cent was experienced by 173 Non-Industrial firms. In hard dollars, \$26 billion was charged to income last year by these 650 corporations (\$19.7 billion from the Industrials, \$6.3 billion from Non-Industrials).

The 15.9 per cent increase in 1979 on the part of the Industrials almost duplicates the 15.7 per cent increase they registered in 1978, as reported by 475 companies in last year's survey. Non-Industrials fared a bit better — their 14.1 per cent increase is a significant drop from their 1978 increase of 17.6 per cent. (Principally, this was due to the retailing firms, which went from a 38.2 per cent pension cost rise in 1978, to one of 14.8 per cent in 1979.)

The graph on page 9 illustrates the distribution of these increases in pension cost, and Exhibit 2 on page 10 presents them statistically. Twenty-seven per cent of the Industrials had an increase in pension cost of less than 10 per cent; 23 per cent of Non-Industrials fell into this category. Eight per cent and 5 per cent, respectively, saw their pension costs go down in 1979. A plurality of companies — 36 per cent of Industrials, 38 per cent of Non-Industrials — fall into the pension cost increase category of 10-19 per cent, reflecting the average. Five per cent (or 24 companies) of the Industrial group had a pension cost increase of 50 per cent or more — the same percentage as in 1978. Three of these companies had a pension cost increase of more than 100 per cent; however, the total cost of these three plans was small — \$11.5 million in 1979, \$5 million in 1978. Four per cent (seven companies) of Non-Industrials fell into the more-than-50-per cent category, down from 8 per cent in last year's study.

Of the nearly \$20 billion spent last year by the 477 Fortune Industrials, the 97 companies in the Fortune 1-100 group accounted for \$13.9 billion, or 70.4 per cent. Thirty-eight of these Fortune 100-ranked firms had a pension cost of more than \$100 million in 1979, five of which topped the \$500 million mark. The pension cost of these 37 firms equalled 54 per cent of the entire Industrial group's total cost. In fact, one firm's pension cost in 1979 accounted for 8 per cent of the total amount expensed by the Fortune 500 group.

In breaking down the Fortune 500 Industrials into industry groups, the twelve mining and crude oil producers realized the greatest increase in pension cost at 25.8 per cent (12.6 per cent in 1978). This group was followed by five companies in the tobacco industry at 24.8 per cent (21.9 per cent in 1978); 36 petroleum refiners at 23.7 per cent (15.4 per cent in 1978); and a dozen publishing and printing firms at 20.3 per cent (24.6 per cent in 1978). The industry which recorded the highest increase in last year's survey — broadcasting, motion picture production and distribution (27.3 per cent) — experienced an increase of 18.4 per cent in 1979.

On the low end of the scale was the one company in the furniture business, with a 2.4 per cent increase in pension cost. The musical instrument, toy and sporting goods manufacturing group (four companies) saw a 6.3 per cent rise in pension cost in 1979 (7.5 per cent in 1978). Textile, vinyl flooring manufacturers (thirteen companies) also had a low, 8.6 per cent increase.

Average pension cost per company in the Fortune 500 Industrial group was \$41.2 million in 1979 (last two columns, Exhibit 2). Corporations in the Fortune 1-100 group averaged \$142.8 million, whereas the average Fortune 401-500 firm spent \$5.9 million. Two industry groups, motor vehicles (21 companies) and office equipment (eleven companies) had an average pension cost per company of \$166.4 million and \$118.7 million, respectively. Next highest average pension cost per company belonged to the aerospace group, at \$76.3 million, or 36 per cent lower than office equipment manufacturers.

Of the \$6.3 billion in pension cost attributable to the 173 Non-Industrial firms in our survey, eight companies with a pension cost of more than \$100 million in 1979 accounted for 58 per cent. The 50 utilities companies expensed almost \$4 billion, or 63 per cent of the total spent by all Non-Industrials. The pension cost of one company in this group was responsible for 66 per cent of the utilities combined pension costs.

Non-Industrial transportation companies experienced the greatest increase in pension costs — 19.3 per cent (16.7 per cent in 1978). Utilities, at 12.6 per cent, reflected the smallest increase, as they did in 1978 (14.1 per cent).

Like the cost of most everything else these days, a good deal of these increases in pension cost discussed above was due to inflation and fueled by higher payrolls. Add to this the fact that 90 companies increased benefits, and such an increase appears almost unavoidable. Still more companies cited increased costs due to actuarial losses, adoption of new plans, mergers or acquisitions, amending their plans to make them noncontributory, or changes necessitated by Social Security modifications. Not to be forgotten, however, was the company which stated its cost decreased due to the sale of a subsidiary, or one which noted a large reduction in its workforce. (For a detailed list of plan changes and other data, see Appendix A, page 56.)

The range of change in pension cost ran from - 32.5 per cent to 250 per cent for the Industrials. Non-Industrial figures ranged from - 26.8 per cent to 133.3 per cent (excluding one retailer whose acquisition of another caused pension cost to shoot from \$2 million in 1978 to \$26.8 million in 1979 — a 1,240 per cent rise). One commercial bank whose pension cost increase is in the 50 per cent-or-more column had no pension cost in 1978, and only a \$.7 million cost in 1979.

Note: The pension cost figures for 44 of the 650 companies represented in Exhibit 2 include corporate profit-sharing contributions. Where profit-sharing contributions were given separately (see Appendix A), they were not included. It is recognized that some of the remaining pension cost figures may indeed include profit-sharing amounts, but they were not identified as such in the annual reports. Where the cost of foreign pension plans was disclosed, these, too, were not included in the pension cost figures used for this report. However, they may have been included in some corporations' pension costs if not so identified, especially for larger, multinational companies.

In fact, 24 companies stated that their pension cost figures included the costs of maintaining foreign plans. Pension costs include multiemployer plan costs, also, where they were identified (at least 39 companies). It is presumed with a great degree of certainty, that the \$26 billion in pension cost for the 650 companies represented in this report is largely composed of costs incurred by domestic, defined benefit plans.

**Change in Pension Cost
1979 from 1978**

Fortune 500 Companies

Average Change: 15.9%

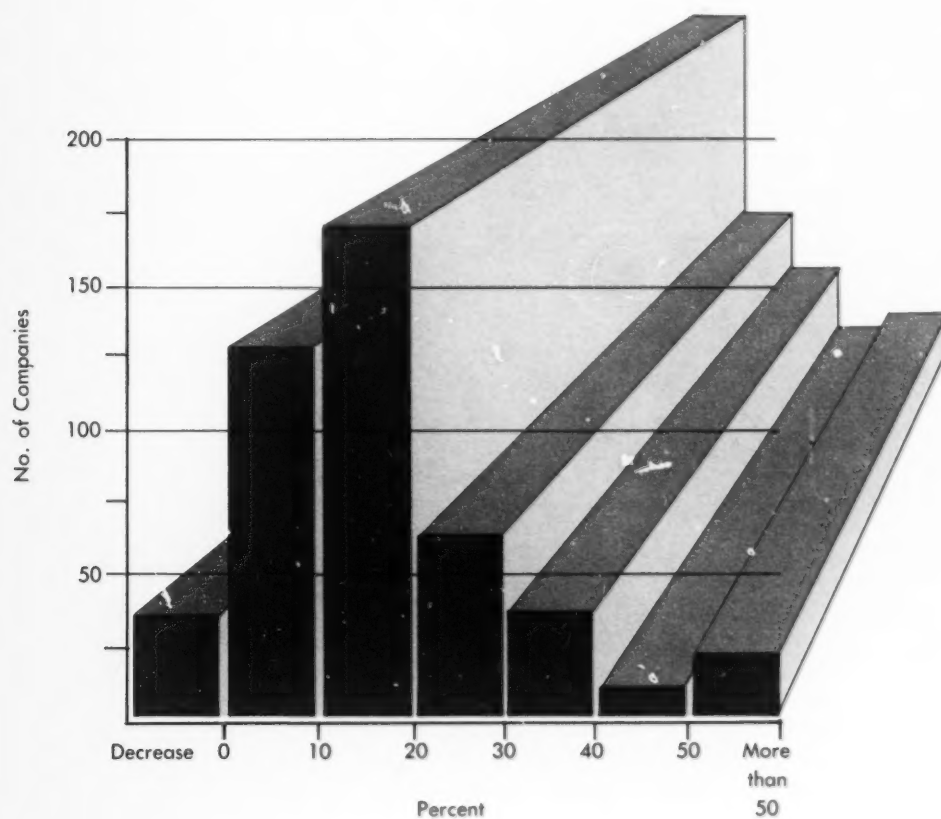


EXHIBIT 2 Change in Pension Cost, 1979 from 1978

	Number of Companies	1979 Pension Cost (\$ Millions)	1978 Pension Cost (\$ Millions)	Average Change	Decrease
BY FORTUNE 500 INDUSTRIAL GROUP					
Fortune 1-100	97	\$13,850.2	\$11,889.3	16.3%	3 (3%)
Fortune 101-200	100	2,990.2	2,592.9	15.3%	9 (9%)
Fortune 201-300	93	1,495.0	1,309.2	14.2%	9 (10%)
Fortune 301-400	93	784.5	693.3	13.2%	10 (11%)
Fortune 401-500	94	556.1	485.2	14.6%	7 (7%)
Total	477	\$19,676.0	\$16,969.9	15.9%	38 (8%)
BY INDUSTRY GROUP					
Mining, crude oil production	12	\$ 221.1	\$ 175.7	25.8%	1 (8%)
Food	50	765.1	682.2	12.2%	4 (8%)
Tobacco	5	198.1	158.7	24.8%	0 (0%)
Textiles, vinyl flooring	13	119.8	110.3	8.6%	3 (23%)
Apparel	9	71.7	62.6	14.5%	0 (0%)
Furniture	1	4.2	4.1	2.4%	0 (0%)
Paper, fiber, and wood products	30	625.7	569.3	9.9%	3 (10%)
Publishing, printing	12	128.6	106.9	20.3%	0 (0%)
Chemicals	36	1,299.6	1,106.6	17.4%	1 (3%)
Petroleum refining	36	2,280.4	1,843.4	23.7%	2 (6%)
Rubber, plastic products	7	428.4	367.4	16.6%	0 (0%)
Leather	2	11.0	10.2	7.8%	0 (0%)
Glass, concrete, abrasives, gypsum	15	328.6	295.6	11.2%	3 (20%)
Metal manufacturing	40	2,137.7	1,901.4	12.4%	5 (13%)
Metal products	26	605.2	535.0	13.1%	0 (0%)
Electronics, appliances	30	2,038.9	1,770.5	15.2%	2 (7%)
Shipbuilding, railrd., trans. equip.	5	87.5	77.1	13.5%	1 (20%)
Measuring, scient., photo equip.	17	726.2	614.3	18.2%	1 (6%)
Motor vehicles	21	3,493.8	3,037.8	15.0%	3 (14%)
Aerospace	12	915.7	776.5	17.9%	0 (0%)
Pharmaceuticals	15	372.2	310.3	19.9%	1 (7%)
Soaps, cosmetics	6	90.6	77.8	16.5%	0 (0%)
Office equipment (incl. computers)	11	1,306.2	1,158.9	12.7%	0 (0%)
Industrial & farm equipment	44	1,141.5	978.6	16.6%	4 (9%)
Musical instr., toys, sporting goods	4	42.4	39.9	6.3%	2 (50%)
Broadcasting, motion picture prod., distr.	6	61.7	52.1	18.4%	1 (17%)
Beverages	12	174.1	146.7	18.7%	1 (8%)
BY FORTUNE 50 LARGEST NON-INDUSTRIALS GROUP					
Commercial banking	50	\$ 478.3	\$ 420.9	13.6%	2 (4%)
Retailing	33	773.1	673.5	14.8%	5 (15%)
Transportation	40	1,113.5	933.3	19.3%	1 (3%)
Utilities	50	3,969.6	3,525.6	12.6%	1 (2%)
Total	173	\$ 6,334.5	\$ 5,553.3	14.1%	9 (5%)

Number of Companies (Percent of Sample)

Increase of 0-9.9%	Increase of 10-19.9%	Increase of 20-29.9%	Increase of 30-39.9%	Increase of 40-49.9%	Increase of 50% or More	Average Cost Per Company (\$ Millions)	
						1979	1978
29 (30%)	39 (40%)	13 (13%)	8 (8%)	3 (3%)	2 (2%)	\$142.8	\$122.6
21 (21%)	39 (39%)	14 (14%)	12 (12%)	3 (3%)	2 (2%)	29.9	25.9
25 (27%)	29 (31%)	13 (14%)	6 (6%)	3 (3%)	8 (9%)	16.1	14.1
25 (27%)	30 (32%)	12 (13%)	5 (5%)	5 (5%)	6 (6%)	8.4	7.5
28 (30%)	34 (36%)	14 (15%)	4 (4%)	1 (1%)	6 (6%)	5.9	5.2
128 (27%)	171 (36%)	66 (14%)	35 (7%)	15 (3%)	24 (5%)	\$ 41.2	\$ 35.6
5 (42%)	2 (17%)	1 (8%)	1 (8%)	1 (8%)	1 (8%)	\$ 18.4	\$ 14.6
7 (14%)	29 (58%)	4 (8%)	4 (8%)	0 (0%)	2 (4%)	15.3	13.6
1 (20%)	2 (40%)	2 (40%)	0 (0%)	0 (0%)	0 (0%)	39.6	31.7
3 (23%)	3 (23%)	3 (23%)	1 (8%)	0 (0%)	0 (0%)	9.2	8.5
6 (67%)	2 (22%)	0 (0%)	0 (0%)	1 (11%)	0 (0%)	8.0	7.0
1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	4.2	4.1
12 (40%)	10 (33%)	2 (7%)	1 (3%)	1 (3%)	1 (3%)	20.9	19.0
2 (17%)	6 (50%)	1 (8%)	1 (8%)	0 (0%)	2 (17%)	10.7	8.9
8 (22%)	14 (39%)	8 (22%)	2 (6%)	1 (3%)	2 (6%)	36.1	30.7
11 (31%)	10 (28%)	4 (11%)	3 (8%)	2 (6%)	4 (11%)	63.3	51.2
1 (14%)	2 (29%)	4 (57%)	0 (0%)	0 (0%)	0 (0%)	61.2	52.5
2 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	5.5	5.1
4 (27%)	4 (27%)	3 (20%)	1 (7%)	0 (0%)	0 (0%)	21.9	19.7
16 (40%)	11 (28%)	2 (5%)	3 (8%)	1 (3%)	2 (5%)	53.4	47.5
11 (42%)	7 (27%)	7 (27%)	1 (4%)	0 (0%)	0 (0%)	23.3	20.6
10 (33%)	12 (40%)	2 (7%)	2 (7%)	1 (3%)	1 (3%)	68.0	59.0
0 (0%)	3 (60%)	0 (0%)	1 (20%)	0 (0%)	0 (0%)	17.5	15.4
2 (12%)	3 (18%)	4 (24%)	2 (12%)	3 (18%)	2 (12%)	42.7	36.1
4 (19%)	12 (57%)	1 (5%)	0 (0%)	0 (0%)	1 (5%)	166.4	144.7
3 (25%)	5 (42%)	3 (25%)	1 (8%)	0 (0%)	0 (0%)	76.3	64.7
2 (13%)	6 (40%)	1 (7%)	3 (20%)	2 (13%)	0 (0%)	24.8	20.7
2 (33%)	2 (33%)	2 (33%)	0 (0%)	0 (0%)	0 (0%)	15.1	13.0
2 (18%)	2 (18%)	4 (36%)	1 (9%)	1 (9%)	1 (9%)	118.7	105.4
12 (27%)	16 (36%)	4 (9%)	5 (11%)	1 (2%)	2 (5%)	25.9	22.2
0 (0%)	0 (0%)	1 (25%)	0 (0%)	0 (0%)	1 (25%)	10.6	10.0
0 (0%)	2 (33%)	1 (17%)	1 (17%)	0 (0%)	1 (17%)	10.3	8.7
1 (8%)	6 (50%)	2 (17%)	1 (8%)	0 (0%)	1 (8%)	14.5	12.2
10 (20%)	24 (48%)	6 (12%)	3 (6%)	3 (6%)	2 (4%)	\$ 9.6	\$ 8.4
11 (33%)	4 (12%)	7 (21%)	4 (12%)	0 (0%)	2 (6%)	23.4	20.4
8 (20%)	13 (33%)	11 (28%)	3 (8%)	1 (3%)	3 (8%)	27.8	23.3
10 (20%)	25 (50%)	6 (12%)	5 (10%)	3 (6%)	0 (0%)	79.4	70.5
39 (23%)	66 (38%)	30 (17%)	15 (9%)	7 (4%)	7 (1%)	\$ 36.6	\$32.1

Pretax profits for the Industrial group were \$163.9 billion, 20.8 per cent more than in 1978

3. Change in Pretax Profits, 1979 from 1978

Note: This Exhibit (see graph at right, Exhibit 3, page 14) is primarily intended to supplement the information in Exhibit 4, "Pension Cost as a Percent of Pretax Profits", page 18. The relationship between a company's pension cost and its pretax profits, and its effects on those profits, is thus examined. Pretax profits for both 1979 and 1978 reflect pretax earnings before deduction of pension cost charged to income (that is, the pension cost figure was added back to the pretax profits figure for all 650 companies).

On the whole, 1979 was a pretty good year for the average Fortune 500 company. Pretax profits for 477 of them in our survey were \$163.9 billion or 20.8 per cent more than in 1978. Last year's survey showed a 12.4 per cent increase in profits in 1978 for 475 companies.

The larger Industrial groups were blessed with more profits than the smaller ones. Whereas Fortune groups 1-100 and 201-300 showed pretax profits which increased, on average, by 20+ per cent, their Fortune 401-500 neighbors saw pretax profits grow by only 5.4 per cent in 1979.

The figures presented in this Exhibit reflect last year's headlines in the business news: Mining and crude oil producers chalked up the largest increase in pretax profits — 89.9 per cent — while the financially-beset auto makers saw pretax profits go down by 20.4 per cent. The industry group with the second greatest increase in pretax profits — 53.4 per cent — was another energy group, petroleum refining. This 36-company group also had the highest average pretax profits per company — \$1.5 billion. Quite a bit down the scale were the office equipment manufacturers whose average pretax profits of \$860 million reflected the second lowest industry group increase of 3.3 per cent. By contrast, the highest-ranking mining and crude oil producers had average pretax profits of \$477.2 million per company in 1979. Motor vehicles (pretax profits down 20.4 per cent) still showed average pretax profits per company of \$564 million. Two other industry groups experienced a decrease in profits: furniture, down 37.2 per cent, with but one company in that industry; and glass, concrete, abrasives, gypsum, which were down an average of 6.1 per cent for fifteen companies. However, only 17 per cent (80 companies) of the Fortune-ranked companies had a decrease in pretax profits, and a still-smaller 3 per cent (fifteen companies) had a pretax loss in either 1979 or 1978.

Unlike last year, pretax profits for Industrial firms grew at a faster pace than pension cost (20.8 per cent versus 15.9 per cent in 1979; 12.4 per cent versus 15.7 per cent in 1978). Of the 27 industry groups, eight had an average increase in pretax profits greater than that of their pension costs. Three Non-Industrial groups showed a higher average increase in pension cost.

Non-Industrial concerns earned \$44.2 billion in pretax profits in 1979, for a 5.8 per cent increase, down from a 1978 increase of 16.6 per cent. All four Non-Industrial groups posted lower figures than last year. Two saw profits decrease — retailing (–.9 per cent) and transportation (–5.4 per cent). Non-Industrial utilities, which posted a 12.6 per cent increase in pretax profits in last year's report, saw but a 6.6 per cent gain in 1979. Average pretax profits per company in this group was \$530.9 million in 1979, with retailers far behind at \$178.3 million. The increase in Non-Industrial pretax profits of 5.8 per cent in 1979 lagged quite a bit behind its pension cost growth of 14.1 per cent.

Total pretax profits for all 650 companies in 1979 was \$208.1 billion, up 17.2 per cent. The range of change in pretax profits for Fortune 500 Industrials ran from a decrease of 75.7 per cent to a 926.7 per cent increase. Non-Industrials' percent change ranged from –84 per cent to 542.9 per cent.

Change in Pretax Profits, 1979 from 1978

Fortune 500 Companies

Average Change: 20.8%

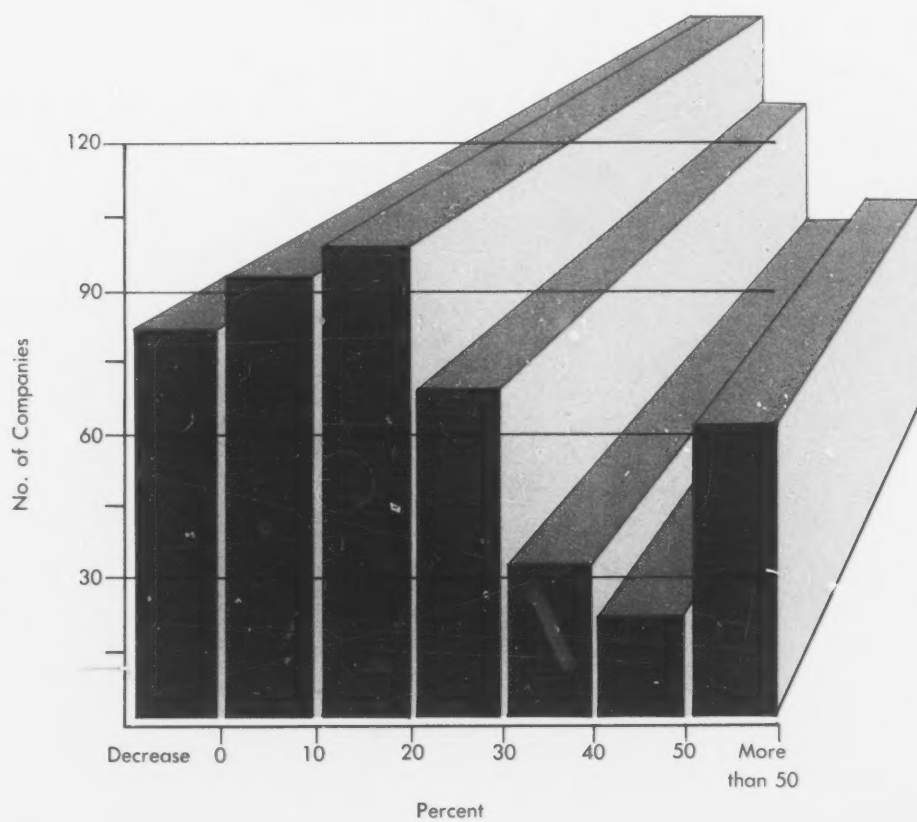


EXHIBIT 3 Change in Pretax Profits, 1979 from 1978

	Number of Companies	1979 Pretax Profits (\$ Millions)	1978 Pretax Profits (\$ Millions)	Average Change	Company Had Pretax Loss; Percent Not Calculable
BY FORTUNE 500 INDUSTRIAL GROUP					
Fortune 1-100	97	\$113,703.5	\$92,993.5	22.3%	5 (5%)
Fortune 101-200	100	25,595.1	21,621.0	18.0%	2 (2%)
Fortune 201-300	93	12,808.9	10,429.1	22.8%	2 (2%)
Fortune 301-400	93	7,307.4	6,310.9	15.8%	2 (2%)
Fortune 401-500	94	4,455.7	4,227.6	5.4%	4 (4%)
Total 477		\$163,870.6	\$135,652.1	20.8%	15 (3%)
BY INDUSTRY GROUP					
Mining, crude oil production	12	\$ 5,725.8	\$ 3,015.0	89.9%	0 (0%)
Food	50	6,832.4	6,267.9	9.0%	1 (2%)
Tobacco	5	2,825.9	2,317.7	21.9%	0 (0%)
Textiles, vinyl flooring	13	881.3	835.0	5.5%	1 (8%)
Apparel	9	893.2	792.8	12.7%	1 (11%)
Furniture	1	15.9	25.3	37.2%	0 (0%)
Paper, fiber and wood products	30	5,937.7	4,956.2	19.8%	0 (0%)
Publishing, printing	12	1,530.8	1,371.6	11.6%	0 (0%)
Chemicals	36	10,046.7	8,349.2	20.3%	0 (0%)
Petroleum refining	36	54,214.6	35,335.9	53.4%	1 (3%)
Rubber, plastic products	7	1,321.5	1,172.1	12.7%	2 (29%)
Leather	2	126.7	114.0	11.1%	0 (0%)
Glass, concrete, gypsum, abrasive	15	1,778.3	1,893.8	6.1%	1 (7%)
Metal manufacturing	40	7,287.8	6,310.2	15.5%	3 (8%)
Metal products	26	3,392.0	3,077.3	10.2%	0 (0%)
Electronics, appliances	30	10,827.0	9,823.0	10.2%	2 (7%)
Shipbuilding, rail & trans. equipment	5	670.8	580.2	15.6%	0 (0%)
Measuring, science & photo equipment	17	6,191.1	5,661.8	9.3%	0 (0%)
Motor vehicles	21	11,844.1	14,880.0	20.4%	1 (5%)
Aerospace	12	3,870.7	2,982.2	29.8%	0 (0%)
Pharmaceuticals	15	5,642.7	5,097.5	10.7%	0 (0%)
Soaps, cosmetics	6	1,426.9	1,348.1	5.8%	0 (0%)
Office equipment (inc. computers)	11	9,459.7	9,154.8	3.3%	0 (0%)
Industrial & farm equipment	44	7,558.9	6,863.6	10.1%	1 (2%)
Music instr., toys, sporting goods	4	312.7	298.8	4.7%	0 (0%)
Radio, movie production & dist.	6	1,188.5	1,167.0	1.8%	0 (0%)
Beverages	12	2,066.9	1,961.1	5.4%	1 (8%)
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP					
Commercial banking	50	7,952.8	6,922.5	14.9%	0 (0%)
Retailing	33	5,884.0	5,935.4	.9%	2 (6%)
Transportation	40	3,818.9	4,035.7	5.4%	6 (15%)
Utilities	50	26,546.7	24,903.9	6.6%	0 (0%)
Total 173		\$ 44,202.4	\$ 41,797.5	5.8%	8 (5%)

Number of Companies (Percent of Sample)

Decrease	Increase of 0-9%	Increase of 10-19%	Increase of 20-29%	Increase of 30-39%	Increase of 40-49%	Increase of 50% or More	Average Pretax Profits Per Company (\$ Millions)	
							1979	1978
14 (14%)	15 (15%)	21 (22%)	12 (12%)	4 (4%)	7 (7%)	19 (20%)	\$1,172.2	\$958.7
11 (11%)	23 (23%)	26 (26%)	15 (15%)	7 (7%)	5 (5%)	11 (11%)	255.0	216.9
12 (13%)	18 (19%)	19 (20%)	14 (15%)	8 (9%)	6 (6%)	14 (15%)	137.7	112.1
21 (23%)	15 (16%)	19 (20%)	14 (15%)	8 (9%)	5 (5%)	9 (10%)	78.6	67.9
22 (23%)	22 (23%)	15 (16%)	15 (16%)	5 (5%)	3 (3%)	8 (9%)	47.4	45.0
90 (17%)	93 (19%)	100 (21%)	70 (15%)	32 (7%)	26 (5%)	61 (13%)	\$ 343.5	\$284.4
0 (0%)	0 (0%)	0 (0%)	3 (25%)	1 (8%)	0 (0%)	8 (67%)	\$477.2	\$251.3
6 (12%)	17 (34%)	9 (18%)	6 (12%)	2 (4%)	3 (6%)	6 (12%)	136.6	125.4
1 (20%)	0 (0%)	2 (40%)	1 (20%)	1 (20%)	0 (0%)	0 (0%)	565.2	463.5
2 (15%)	4 (31%)	1 (8%)	2 (15%)	1 (8%)	1 (8%)	1 (8%)	67.8	64.2
2 (22%)	2 (22%)	1 (11%)	2 (22%)	1 (11%)	0 (0%)	0 (0%)	99.2	88.1
1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	15.9	25.3
6 (20%)	7 (23%)	6 (20%)	6 (20%)	2 (7%)	2 (7%)	1 (3%)	197.9	165.2
2 (17%)	3 (25%)	5 (42%)	0 (0%)	0 (0%)	1 (8%)	1 (8%)	127.6	114.3
3 (8%)	9 (25%)	8 (22%)	7 (19%)	2 (6%)	3 (8%)	4 (11%)	279.1	231.9
1 (3%)	0 (0%)	1 (3%)	6 (17%)	3 (8%)	4 (11%)	20 (56%)	1,506.0	981.6
2 (29%)	1 (14%)	1 (14%)	0 (0%)	1 (14%)	0 (0%)	0 (0%)	188.8	167.4
0 (0%)	1 (50%)	1 (50%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	63.4	57.0
6 (40%)	1 (7%)	1 (7%)	3 (20%)	1 (7%)	0 (0%)	2 (13%)	118.6	126.3
5 (13%)	5 (13%)	5 (13%)	6 (15%)	2 (5%)	4 (10%)	10 (25%)	182.2	157.8
5 (19%)	7 (27%)	6 (23%)	5 (19%)	2 (8%)	0 (0%)	1 (4%)	130.5	118.4
4 (13%)	8 (27%)	9 (30%)	4 (13%)	1 (3%)	1 (3%)	1 (3%)	360.9	327.4
1 (20%)	1 (20%)	1 (20%)	1 (20%)	0 (0%)	1 (20%)	0 (0%)	134.2	116.0
3 (18%)	4 (24%)	3 (18%)	2 (12%)	4 (24%)	1 (6%)	0 (0%)	364.2	333.0
9 (43%)	1 (5%)	6 (29%)	1 (5%)	2 (10%)	0 (0%)	1 (5%)	564.0	708.6
1 (8%)	2 (17%)	3 (25%)	3 (25%)	0 (0%)	2 (17%)	1 (8%)	322.6	248.5
1 (7%)	3 (20%)	9 (60%)	1 (7%)	1 (7%)	0 (0%)	0 (0%)	376.2	339.8
1 (17%)	1 (17%)	4 (67%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	237.8	224.7
3 (27%)	0 (0%)	2 (18%)	4 (36%)	1 (9%)	1 (9%)	0 (0%)	860.0	832.3
10 (23%)	11 (25%)	9 (20%)	6 (14%)	3 (7%)	1 (2%)	3 (7%)	171.8	156.0
1 (25%)	1 (25%)	1 (25%)	0 (0%)	1 (25%)	0 (0%)	0 (0%)	78.2	74.7
3 (50%)	1 (17%)	2 (33%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	198.1	194.5
1 (8%)	3 (25%)	4 (33%)	1 (8%)	0 (0%)	1 (8%)	1 (8%)	172.2	163.4
6 (12%)	12 (24%)	16 (32%)	8 (16%)	5 (10%)	1 (2%)	2 (4%)	\$ 159.1	\$138.5
7 (21%)	12 (36%)	6 (18%)	4 (12%)	0 (0%)	0 (0%)	2 (6%)	178.3	179.9
12 (30%)	5 (13%)	2 (5%)	3 (8%)	1 (3%)	3 (8%)	8 (20%)	95.5	100.9
14 (28%)	14 (28%)	9 (18%)	6 (12%)	4 (8%)	1 (2%)	2 (4%)	530.9	498.1
39 (23%)	43 (25%)	33 (19%)	21 (12%)	10 (6%)	5 (3%)	14 (8%)	\$ 255.5	\$241.6

Pension plans cost the companies in this survey about one and one-half months of pretax profits in 1979 and 1978

4. Pension Cost as a Percent of Pretax Profits, 1979 and 1978

The graph and Exhibit in this section combine the data presented earlier in Exhibits 2 and 3. They gauge the effects of the cost of maintaining a pension plan on a company's pretax profits *before* deduction of pension expense. (Because contributions to a tax-qualified pension plan are tax deductible, pretax profits rather than net profits is a more significant comparative statistic.)

Pension cost as a percent of pretax profits for both 1979 and 1978 proved to be remarkably consistent (see Exhibit 4, p. 18 and graph at right). For the Fortune 500 Industrials in this Exhibit, these figures were 12 per cent for 1979 and 12.5 per cent for 1978. Last year's survey showed 1977's figure to be 12.2 per cent. Non-Industrial groups' pension cost as a percent of pretax profits moved up a full percentage point to 14.3 per cent in 1979 from 13.3 per cent in 1978 (13.2 per cent in 1977, from last year's report). Put another way, pension plans cost the 650 companies included in this survey roughly one and one-half months of pretax profits in 1979 and 1978, assuming an 8.3 per cent monthly accrual rate for a twelve-month fiscal year.

By industry group, pension cost as a percent of pretax profits was consistent for both years, with one significant exception. The motor vehicle group's pension cost as a percent of pretax profits was 29.5 per cent in 1979 — or 45 percent more than the 20.4 per cent figure in 1978. This was due to a drop in profits (—20.4 per cent) combined with a pension cost increase of 15 per cent. The highest pension cost figure vis-a-vis pretax profits in 1979 — as opposed to the most dramatic change, above — belongs to the rubber and plastic products group (32.4 per cent; 31.3 per cent in 1978). Low on the pension cost to pretax profits ratio were the mining and crude oil producers (3.9 per cent, down from 1978's 5.8 per cent) and petroleum refiners (4.2 per cent in 1979 versus 5.2 per cent in 1978). These two groups posted the highest and the second-highest increase in pretax profits, and the highest and third-highest in pension cost, respectively. Forty-four per cent of the Industrial groups had a pension cost of less than 10 per cent of pretax profits. The Non-Industrials fared even better, with 61 per cent of its 173 companies showing a pension cost of less than 10 per cent of pretax profits. Of the four Non-Industrial groups, transportation companies had the highest average figure, at 29.2 per cent in 1979 — up 26 per cent from 1978. Commercial banks had the lowest, 6 per cent.

Fifty-one per cent of Fortune Industrials had an increase in pension cost as a percent of pretax profits; 44 per cent decreased this ratio; 2 per cent experienced no change. Of Non-Industrials, 60 per cent recorded an increase, 31 per cent a decrease, and no change for 4 per cent.

The highest pension cost as a percent of pretax profits in 1979 was 155.1 per cent for an Industrial company (the same company had the highest ratio in 1978, too), and 195.3 per cent for a Non-Industrial.

**Pension Cost as a Percent
of Pretax Profits, 1979 and 1978**

Fortune 500 Companies

1979 Average: 12.0%

1978 Average: 12.5%

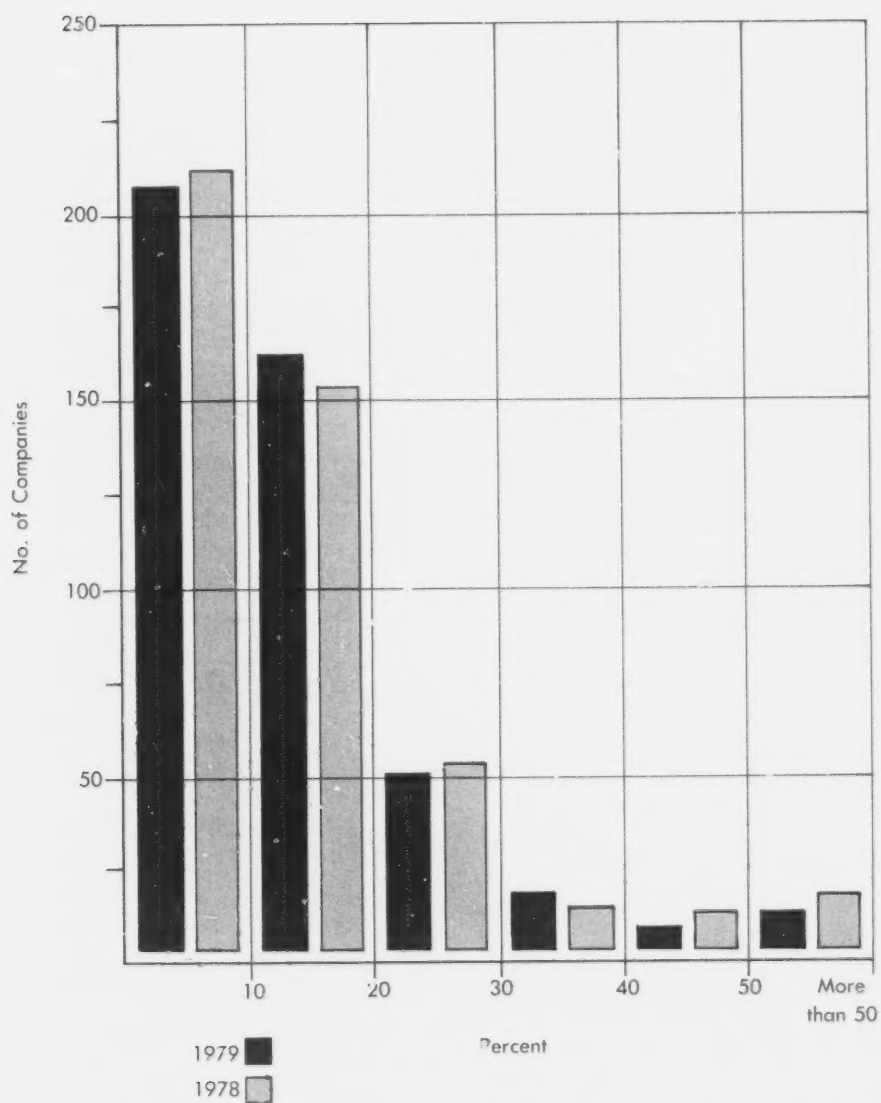


EXHIBIT 4 Pension Cost as a Percent of Pretax Profits, 1979 and 1978

	Number of Companies	Pension Cost as a Percent of Pretax Profits (Average)		1%-9.9%		10%-19.9%		20%-29.9%	
		1979	1978	1979	1978	1979	1978	1979	1978
BY FORTUNE 500 INDUSTRIAL GROUP									
Fortune 1-100	97	12.2%	12.8%	41 (42%)	41 (42%)	26 (27%)	26 (27%)	12 (12%)	13 (13%)
Fortune 101-200	100	11.7%	12.0%	46 (46%)	44 (44%)	41 (41%)	38 (38%)	10 (10%)	15 (15%)
Fortune 201-300	93	11.7%	12.6%	41 (44%)	43 (46%)	35 (38%)	29 (31%)	9 (10%)	10 (11%)
Fortune 301-400	93	10.7%	11.0%	46 (49%)	48 (52%)	27 (29%)	27 (29%)	12 (13%)	12 (13%)
Fortune 401-500	94	12.5%	11.5%	37 (39%)	42 (45%)	35 (37%)	34 (36%)	8 (9%)	7 (7%)
Total 477		12.0%	12.5%	211 (44%)	218 (46%)	164 (34%)	154 (32%)	51 (11%)	57 (12%)
BY INDUSTRY GROUP									
Mining, crude oil production	12	3.9%	5.8%	8 (67%)	7 (58%)	3 (25%)	4 (33%)	0 (0%)	0 (0%)
Food	50	11.2%	10.9%	23 (46%)	24 (48%)	18 (36%)	15 (30%)	5 (10%)	5 (10%)
Tobacco	5	7.0%	6.8%	5 (100%)	4 (80%)	0 (0%)	1 (20%)	0 (0%)	0 (0%)
Textiles, vinyl flooring	13	13.6%	13.2%	7 (54%)	6 (46%)	4 (31%)	5 (38%)	1 (8%)	2 (15%)
Apparel	9	8.0%	7.9%	5 (56%)	6 (67%)	2 (22%)	2 (22%)	0 (0%)	1 (11%)
Furniture	1	26.4%	16.2%	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1 (100%)	0 (0%)
Paper, fiber and wood products	30	10.5%	11.5%	14 (47%)	14 (47%)	14 (47%)	13 (43%)	2 (7%)	3 (10%)
Publishing, printing	12	8.4%	7.8%	8 (67%)	9 (75%)	3 (25%)	2 (17%)	1 (8%)	0 (0%)
Chemicals	36	12.9%	13.3%	17 (47%)	17 (47%)	15 (42%)	14 (39%)	3 (8%)	4 (11%)
Petroleum refining	36	4.2%	5.2%	32 (89%)	28 (78%)	3 (8%)	4 (11%)	0 (0%)	2 (6%)
Rubber, plastic products	7	32.4%	31.3%	1 (14%)	1 (14%)	1 (14%)	2 (29%)	2 (29%)	2 (29%)
Leather	2	8.7%	8.9%	2 (100%)	1 (50%)	0 (0%)	1 (50%)	0 (0%)	0 (0%)
Glass, concrete, abrasives, gypsum	15	18.5%	15.6%	3 (20%)	5 (33%)	4 (27%)	4 (27%)	5 (33%)	4 (27%)
Metal manufacturing	40	29.3%	30.1%	7 (18%)	5 (13%)	12 (30%)	11 (28%)	8 (20%)	8 (20%)
Metal products	26	17.8%	17.4%	7 (27%)	8 (31%)	14 (54%)	12 (46%)	4 (15%)	4 (15%)
Electronics, appliances	30	18.8%	18.0%	11 (37%)	11 (37%)	12 (40%)	13 (43%)	4 (13%)	4 (13%)
Shipbuilding, railrd., trans. equip.	5	13.0%	13.3%	2 (40%)	3 (60%)	3 (60%)	1 (20%)	0 (0%)	1 (20%)
Measuring, scient., photo equip.	17	11.7%	10.8%	7 (41%)	10 (59%)	6 (35%)	5 (29%)	2 (12%)	2 (12%)
Motor vehicles	21	29.5%	20.4%	2 (10%)	3 (14%)	7 (33%)	7 (33%)	5 (24%)	7 (33%)
Aerospace	12	23.7%	26.0%	2 (17%)	1 (8%)	4 (33%)	4 (33%)	3 (25%)	3 (25%)
Pharmaceuticals	15	6.6%	6.1%	13 (87%)	14 (93%)	2 (13%)	1 (7%)	0 (0%)	0 (0%)
Soaps, cosmetics	6	6.3%	5.8%	5 (83%)	6 (100%)	1 (17%)	0 (0%)	0 (0%)	0 (0%)
Office equipment (incl. computers)	11	13.8%	12.7%	5 (45%)	5 (45%)	5 (45%)	5 (45%)	0 (0%)	1 (9%)
Industrial & farm equipment	44	15.1%	14.3%	11 (25%)	16 (36%)	26 (59%)	22 (50%)	4 (9%)	4 (9%)
Musical instr., toys, sporting goods	4	13.6%	13.4%	1 (25%)	1 (25%)	2 (50%)	3 (75%)	1 (25%)	0 (0%)
Broadcasting, motion picture prod., distr.	6	5.2%	4.5%	6 (100%)	6 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Beverages	12	8.4%	7.5%	7 (58%)	7 (58%)	3 (25%)	2 (17%)	0 (0%)	0 (0%)
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP									
Commercial banking	50	6.0%	6.1%	43 (86%)	41 (82%)	6 (12%)	9 (18%)	0 (0%)	0 (0%)
Retailing	33	13.1%	11.3%	15 (45%)	17 (52%)	10 (30%)	9 (27%)	1 (3%)	2 (6%)
Transportation	40	29.2%	23.1%	12 (30%)	10 (25%)	4 (10%)	6 (15%)	6 (15%)	8 (20%)
Utilities	50	15.0%	14.2%	37 (74%)	37 (74%)	11 (22%)	12 (24%)	2 (4%)	1 (2%)
Total 173		14.3%	13.3%	107 (62%)	105 (61%)	31 (18%)	36 (21%)	9 (5%)	11 (6%)

Number of Companies (Percent of Sample)

30%-39.9%		40%-49.9%		50% or More		Company Had Pretax Loss; Percent Not Calculable		Companies where Pension Cost as a Percent of Pretax Profits		
1979	1978	1979	1978	1979	1978	1979	1978	Increased 1979	Decreased 1979	No Change 1979
10 (10%)	7 (7%)	2 (2%)	2 (2%)	3 (3%)	5 (5%)	3 (3%)	3 (3%)	46 (47%)	46 (47%)	0 (0%)
1 (1%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	3 (3%)	2 (2%)	0 (0%)	51 (51%)	45 (45%)	2 (2%)
4 (4%)	2 (2%)	2 (2%)	3 (3%)	2 (2%)	4 (4%)	0 (0%)	2 (2%)	43 (46%)	48 (52%)	0 (0%)
3 (3%)	4 (4%)	2 (2%)	2 (2%)	1 (1%)	0 (0%)	2 (2%)	0 (0%)	49 (53%)	39 (42%)	3 (3%)
3 (3%)	1 (1%)	2 (2%)	4 (4%)	5 (5%)	6 (6%)	4 (4%)	0 (0%)	53 (56%)	33 (35%)	4 (4%)
21 (4%)	14 (3%)	8 (2%)	11 (2%)	11 (2%)	18 (4%)	11 (2%)	5 (1%)	242 (51%)	211 (44%)	9 (2%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (8%)	1 (8%)	0 (0%)	0 (0%)	1 (8%)	11 (92%)	0 (0%)
1 (2%)	0 (0%)	1 (2%)	2 (4%)	1 (2%)	4 (8%)	1 (2%)	0 (0%)	31 (62%)	17 (34%)	1 (2%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	3 (60%)	2 (40%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (8%)	0 (0%)	6 (46%)	6 (46%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (11%)	0 (0%)	1 (11%)	0 (0%)	3 (33%)	5 (56%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	14 (47%)	16 (53%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	1 (8%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	9 (75%)	3 (25%)	0 (0%)
1 (3%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (3%)	0 (0%)	0 (0%)	19 (53%)	16 (44%)	1 (3%)
1 (3%)	0 (0%)	0 (0%)	1 (3%)	0 (0%)	0 (0%)	0 (0%)	1 (3%)	4 (11%)	31 (86%)	0 (0%)
2 (29%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (14%)	1 (14%)	1 (14%)	4 (57%)	1 (14%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (50%)	1 (50%)	0 (0%)
1 (7%)	1 (7%)	1 (7%)	0 (0%)	0 (0%)	1 (7%)	1 (7%)	0 (0%)	7 (47%)	7 (47%)	0 (0%)
3 (8%)	6 (15%)	5 (13%)	4 (10%)	3 (8%)	5 (13%)	2 (5%)	1 (3%)	14 (35%)	23 (58%)	0 (0%)
1 (4%)	1 (4%)	0 (0%)	1 (4%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	16 (62%)	10 (38%)	0 (0%)
2 (7%)	1 (3%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (3%)	1 (3%)	15 (50%)	10 (33%)	3 (10%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	3 (60%)	2 (40%)	0 (0%)
2 (12%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	13 (76%)	4 (24%)	0 (0%)
4 (19%)	1 (5%)	0 (0%)	0 (0%)	2 (10%)	2 (10%)	1 (5%)	1 (5%)	13 (62%)	6 (29%)	1 (5%)
1 (8%)	1 (8%)	0 (0%)	0 (0%)	2 (17%)	3 (25%)	0 (0%)	0 (0%)	6 (50%)	6 (50%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	10 (67%)	5 (33%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	5 (83%)	1 (17%)	0 (0%)
0 (0%)	0 (0%)	1 (9%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	7 (64%)	4 (36%)	0 (0%)
1 (2%)	1 (2%)	0 (0%)	1 (2%)	1 (2%)	0 (0%)	1 (2%)	0 (0%)	24 (55%)	17 (39%)	2 (5%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	3 (75%)	1 (25%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	4 (67%)	1 (17%)	1 (17%)
1 (8%)	2 (17%)	0 (0%)	1 (8%)	0 (0%)	0 (0%)	1 (8%)	0 (0%)	6 (50%)	5 (42%)	0 (0%)
1 (2%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	26 (52%)	20 (40%)	4 (8%)
2 (6%)	1 (3%)	1 (3%)	3 (9%)	3 (9%)	0 (0%)	1 (3%)	1 (3%)	22 (67%)	7 (21%)	2 (6%)
1 (3%)	8 (20%)	3 (8%)	2 (5%)	9 (23%)	4 (10%)	5 (13%)	2 (5%)	19 (48%)	15 (38%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	37 (74%)	12 (24%)	1 (2%)
4 (2%)	9 (5%)	4 (2%)	5 (3%)	12 (7%)	4 (2%)	6 (3%)	3 (2%)	104 (60%)	54 (31%)	7 (4%)

Of the 15.8 million people employed by the Industrials, 57 per cent worked for the Fortune 1-100 group

5. Change in Number of Employees, 1979 from 1978

Employment levels at the 475 Fortune 500 Industrial companies included in this Exhibit went up, on average, 3.7 per cent in 1979. This is lower than the 1978 increase of 4.8 per cent (474 companies) as reported in our survey last year. The 171 Non-Industrials in this Exhibit, on the other hand, saw their employment levels increase by 4.6 per cent in 1979 — almost twice 1978's 2.6 per cent growth rate. In all, 21.2 million people were employed by the 646 firms in this Exhibit in 1979.

Note: The graph at right and Exhibit 5 on page 22 are intended to be used in conjunction with Exhibit 6, "Change in Pension Cost per Employee," page 26. Bear in mind that the figures given for number of employees will, in nearly every case, include employees who are not participants in pension plans. Likewise, some companies may have reported employees of their international subsidiaries in their total employment figures. Even considering these two factors, however, the data illustrated in Exhibits 5 and 6 offer a good benchmark of how much providing a pension plan costs each employer per employee. Only those companies for which employment figures were available for both 1979 and 1978 are included in this Exhibit.

Of the 15.8 million people employed by the Industrial companies, 57 per cent worked for the Fortune 1-100 ranked firms. Those 97 companies employed, on average, 93,032 people, reducing to 7,990 people at the smaller Fortune 401-500 companies. The average employment at Fortune Industrial firms was 33,301 in 1979.

Four of the 27 industry groups had a drop in their employment levels in 1979. They were rubber and plastic products (7 companies, down 4.8 per cent); furniture (1 company, -3.5 per cent); motor vehicles (21 companies, -.4 per cent); and metal products (25 companies, -.3 per cent). The apparel industry which, in last year's survey, was the only one to have a decrease in employment levels, showed an 8.7 per cent increase in this year's report. Industry groups with the greatest increase in number of employees were tobacco (5 companies, 27.4 per cent, up from 4.8 per cent in last year's survey); mining and crude oil production (12 companies, 18.1 per cent, up from 4.6 per cent last year); and aerospace (12 companies, 15.7 per cent, up from 11.4 per cent). These three industry groups also registered among the four greatest increases in pretax profits (see Exhibit 3, page 14).

The average employment level in 1979, as in our two previous reports, was highest in the motor vehicle industry — 102,941 employees per company — despite its slight drop in employment. This group was again followed by office equipment manufacturers (74,115). Of the 475 Industrial companies in this Exhibit, 23 employed more than 100,000 people.

Of the 5.4 million workers employed by the 171 Non-Industrial companies in this Exhibit, 41 per cent were working for the 32 retailers (employment figures for this group would tend to be higher, due to part-time and seasonal workers). Utilities were responsible for 33 per cent — with one giant utilities' employment comprising 19 per cent of *all* Non-Industrial companies' workforces. As with last year, commercial banks had the highest increase in employment (6.5 per cent), with retailers at the low end (3.3 per cent, up from .1 per cent in last year's study). Average employment at the Non-Industrial firms was 31,585 workers per company, led by retailers at 69,832, with commercial banks at the low end (11,049). All four Non-Industrial groups had a higher 1979 growth rate in employment levels than in 1978.

**Change in Number of Employees,
1979 from 1978**

Fortune 500 Companies

Average Change: 3.7%

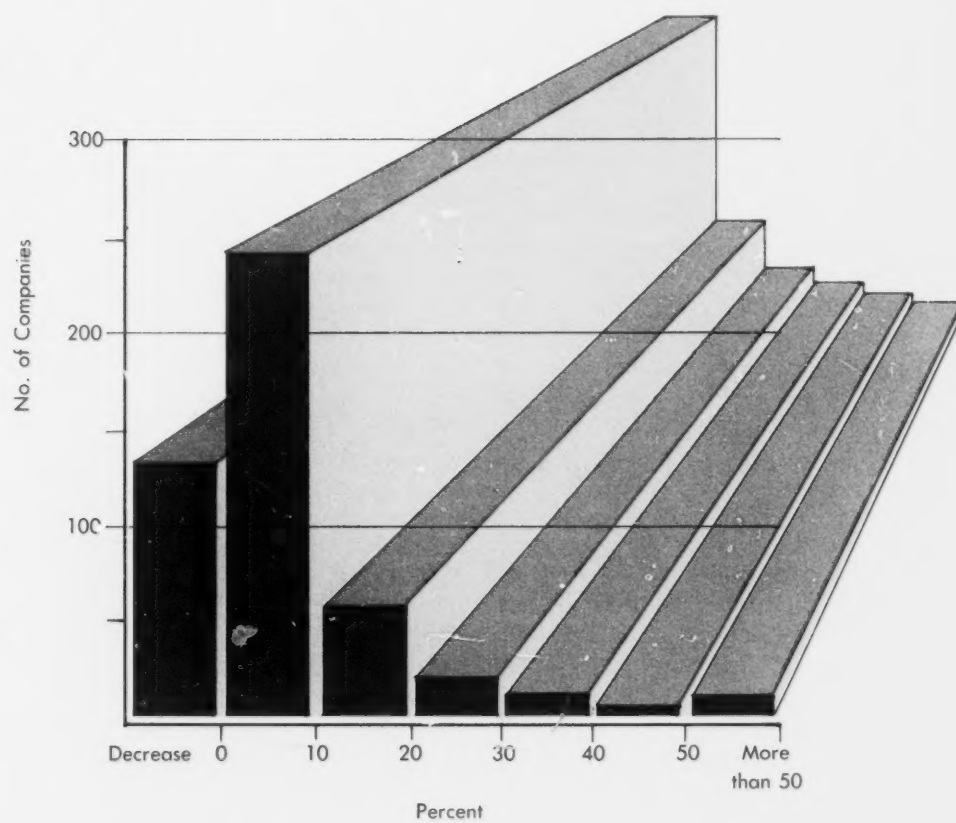


EXHIBIT 5 Change in Number of Employees, 1979 from 1978

	Number of Companies	Number of Employees		Average Change	Decrease
BY FORTUNE 500 INDUSTRIAL GROUP					
Fortune 1-100	97	9,024,178	8,735,271	3.3%	23 (24%)
Fortune 101-200	100	3,362,117	3,237,587	3.8%	30 (30%)
Fortune 201-300	93	1,621,934	1,541,504	5.2%	24 (26%)
Fortune 301-400	92	1,066,690	1,032,499	3.3%	34 (37%)
Fortune 401-500	93	743,095	712,353	4.3%	27 (29%)
Total	475	15,818,014	15,259,214	3.7%	138 (29%)
BY INDUSTRY GROUP					
Mining, crude oil production	12	146,473	123,990	18.1%	1 (8%)
Food	50	1,200,254	1,150,392	4.3%	16 (32%)
Tobacco	5	220,477	173,066	27.4%	0 (0%)
Textiles, vinyl flooring	13	304,605	303,626	.3%	7 (54%)
Apparel	8	212,654	195,593	8.7%	2 (25%)
Furniture	1	16,350	16,944	3.5%	1 (100%)
Paper, fiber, and wood products	30	580,590	577,037	.6%	12 (40%)
Publishing, printing	12	145,852	140,749	3.6%	1 (8%)
Chemicals	36	926,402	901,329	2.8%	12 (33%)
Petroleum refining	36	1,132,700	1,074,012	5.5%	13 (36%)
Rubber, plastic products	7	431,352	452,918	4.8%	4 (57%)
Leather	2	34,800	32,400	7.4%	0 (0%)
Glass, concrete, abrasives, gypsum	15	298,915	294,140	1.6%	6 (40%)
Metal manufacturing	40	1,038,989	1,012,348	2.6%	11 (28%)
Metal products	25	625,111	626,951	.3%	8 (32%)
Electronics, appliances	30	2,051,048	2,017,270	1.7%	10 (33%)
Shipbuilding, railrd., trans. equip.	5	130,182	126,630	2.8%	2 (40%)
Measuring, scient., photo equip.	17	593,618	563,181	5.4%	3 (18%)
Motor vehicles	21	2,161,765	2,169,757	.4%	9 (43%)
Aerospace	12	670,862	580,029	15.7%	1 (8%)
Pharmaceuticals	15	495,470	469,877	5.4%	3 (20%)
Soaps, cosmetics	6	148,779	139,964	6.3%	0 (0%)
Office equipment (incl. computers)	11	815,269	764,898	6.6%	0 (0%)
Industrial & farm equipment	44	1,020,427	961,601	6.1%	12 (27%)
Musical instr., toys, sporting goods	4	83,302	82,909	.5%	1 (25%)
Broadcasting, motion picture prod., distr.	6	84,793	79,165	7.1%	0 (0%)
Beverages	12	246,975	228,438	8.1%	3 (25%)
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP					
Commercial banking	49	541,446	508,595	6.5%	2 (4%)
Retailing	32	2,234,639	2,162,980	3.3%	6 (19%)
Transportation	40	853,892	804,536	6.1%	8 (20%)
Utilities	50	1,771,171	1,689,302	4.8%	4 (8%)
Total	171	5,401,148	5,165,413	4.6%	20 (12%)

Number of Companies (Percent of Sample)

						Average Number of Employees Per Company	
Increase of 0-9.9%	Increase of 10-19.9%	Increase of 20-29.9%	Increase of 30-39.9%	Increase of 40-49.9%	Increase of 50% or More	1979	1978
61 (63%)	8 (8%)	2 (2%)	1 (1%)	0 (0%)	2 (2%)	93,032	90,054
52 (52%)	11 (11%)	4 (4%)	2 (2%)	0 (0%)	1 (1%)	33,621	32,375
50 (54%)	12 (13%)	2 (2%)	2 (2%)	2 (2%)	1 (1%)	17,440	16,575
37 (40%)	14 (15%)	4 (4%)	1 (1%)	0 (0%)	2 (2%)	11,594	11,222
45 (48%)	14 (15%)	3 (3%)	2 (2%)	1 (1%)	1 (1%)	7,990	7,659
245 (52%)	59 (12%)	15 (3%)	8 (2%)	3 (1%)	7 (1%)	33,301	32,124
6 (50%)	2 (17%)	0 (0%)	2 (17%)	0 (0%)	1 (8%)	12,206	10,332
23 (46%)	6 (12%)	1 (2%)	3 (6%)	1 (2%)	0 (0%)	24,005	23,007
4 (80%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (20%)	44,095	34,613
5 (38%)	1 (8%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	23,431	23,355
4 (50%)	1 (13%)	1 (13%)	0 (0%)	0 (0%)	0 (0%)	26,581	24,449
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	16,350	16,944
14 (47%)	3 (10%)	1 (3%)	0 (0%)	0 (0%)	0 (0%)	19,353	19,234
7 (58%)	3 (25%)	1 (8%)	0 (0%)	0 (0%)	0 (0%)	12,154	11,729
21 (58%)	2 (6%)	1 (2%)	0 (0%)	0 (0%)	0 (0%)	25,733	25,036
19 (53%)	3 (8%)	0 (0%)	1 (3%)	0 (0%)	0 (0%)	31,463	29,833
3 (43%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	61,621	64,702
2 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	17,400	16,200
8 (53%)	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	19,927	19,609
25 (63%)	2 (5%)	0 (0%)	0 (0%)	1 (3%)	1 (3%)	25,974	25,308
12 (48%)	3 (12%)	2 (8%)	0 (0%)	0 (0%)	0 (0%)	25,004	25,078
12 (40%)	5 (17%)	1 (3%)	0 (0%)	0 (0%)	2 (7%)	68,368	67,242
2 (40%)	1 (20%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	26,036	25,326
10 (59%)	2 (12%)	2 (12%)	0 (0%)	0 (0%)	0 (0%)	34,918	33,128
9 (43%)	3 (14%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	102,941	103,321
6 (50%)	3 (25%)	2 (17%)	0 (0%)	0 (0%)	0 (0%)	55,905	48,335
11 (73%)	0 (0%)	0 (0%)	0 (0%)	1 (7%)	0 (0%)	33,031	31,325
4 (67%)	2 (33%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	24,796	23,327
6 (55%)	3 (27%)	2 (18%)	0 (0%)	0 (0%)	0 (0%)	74,115	69,536
18 (41%)	12 (27%)	0 (0%)	0 (0%)	0 (0%)	2 (5%)	23,191	21,854
3 (75%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	20,825	20,727
4 (67%)	1 (17%)	0 (0%)	1 (17%)	0 (0%)	0 (0%)	14,132	13,194
7 (58%)	1 (8%)	0 (0%)	1 (8%)	0 (0%)	0 (0%)	20,581	19,036
36 (73%)	10 (20%)	0 (0%)	0 (0%)	1 (2%)	0 (0%)	11,049	10,379
13 (41%)	8 (25%)	3 (9%)	1 (3%)	1 (3%)	0 (0%)	69,832	67,593
19 (48%)	9 (23%)	3 (8%)	0 (0%)	0 (0%)	1 (3%)	21,347	20,113
36 (72%)	8 (16%)	1 (2%)	1 (2%)	0 (0%)	0 (0%)	35,423	33,786
104 (61%)	35 (20%)	7 (4%)	2 (1%)	2 (1%)	1 (1%)	31,585	30,207

Average pension cost per employee was highest for the utilities, at \$2,241

6. Change in Pension Cost Per Employee, 1979 from 1978

Pension cost per employee went up 11.8 per cent for the 475 Industrial companies in this Exhibit (last year's study showed a 10.4 per cent increase). This figure reflects a 3.7 per cent increase in number of employees (Exhibit 5, page 22) and a 15.9 per cent increase in pension cost (Exhibit 2, page 10). The Fortune 1-100 and 101-200 groups experienced the greatest increase in pension cost per employee — 12.8 and 11.1 per cent, respectively — as they did in pension cost (16.5 per cent and 15.3 per cent, from Exhibit 2).

Rubber and plastic product manufacturers showed the highest increase in pension cost per employee — 22.4 per cent. This group's employment level went down 4.8 per cent in 1979 while its pension cost grew by 16.6 per cent. Next greatest increase was experienced by petroleum refiners, whose 17.3 per cent rise in pension cost per employee in 1979 was partly due to the fact that a 5.5 per cent increase in number of employees was coupled with a 23.7 per cent growth in pension cost.

Publishers and printers, with a 16.1 per cent increase in pension cost per employee in 1979 — third highest — had similar increases in pension cost and employment in 1979. The only industry group to register a decrease in pension cost per employee was tobacco, whose drop of 2 per cent parallels an increase in employment (27.4 per cent) which was greater than its pension cost rise (24.8 per cent) — although both figures were among the highest in the respective Exhibits.

Average pension cost per employee (last two columns, page 27) for the Industrial companies was \$1,243, ranging from \$1,534 for the Fortune 1-100 group to \$745 for the 401-500 group. Eleven industry groups spent more than \$1,000 in pension cost per employee in 1979, led by metal manufacturers whose \$2,057 represented an average increase of 9.5 per cent. Close behind were petroleum refiners (\$2,013, average increase of 17.3 per cent). Industrial companies which expended more than \$2,000 in pension cost per employee numbered 51 (38 per cent more than last year). Ten of these topped \$3,000 per employee!

Non-Industrial companies in this Exhibit showed a somewhat smaller increase in pension cost per employee — 9.1 per cent — than their Industrial counterparts (11.8 per cent). This group showed an average pension cost increase of 14.1 per cent, coupled with employment which grew by 4.6 per cent in 1979. Their 9.1 per cent increase is a significant drop from the 14.6 per cent jump in pension cost per employee which they exhibited in last year's survey. This is due to the fact that last year the retailing Non-Industrial group showed a 38.7 per cent increase, which this year has dropped dramatically to an 11 per cent growth rate. Non-Industrial transportation companies registered the highest gain this year, with pension cost per employee having grown by 12.4 per cent in 1979 (their 19.3 per cent pension cost increase was highest for the four Non-Industrial groups — see Exhibit 2, page 10).

Average pension cost per employee was \$2,241 for the utilities — higher than any of the industry groups discussed above, with 22 of the 50 companies in that group attaining the \$2,000 + level. Fourteen other Non-Industrial companies also spent in excess of \$2,000 in pension cost per employee.

Highest pension cost per employee for an Industrial company was \$4,260; \$4,629 for a Non-Industrial.

Note: One commercial bank which indicated no pension cost in 1978 was excluded from this Exhibit, since it would distort such figures.

**Change in Pension Cost per
Employee, 1979 from 1978**

Fortune 500 Companies

Average Change: 11.8%

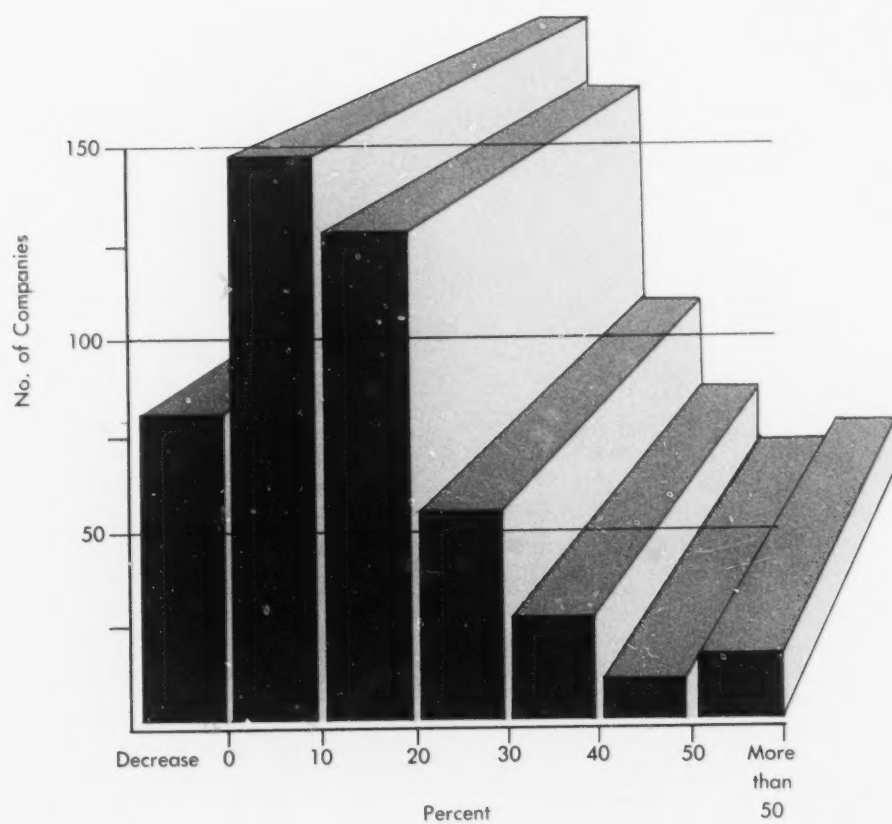


EXHIBIT 6 Change in Pension Cost per Employee, 1979 from 1978

	Number of Companies	Average Change Per Employee	Decrease	Increase of 0.9.9%
BY FORTUNE 500 INDUSTRIAL GROUP				
Fortune 1-100	97	12.8%	10 (10%)	41 (42%)
Fortune 101-200	100	11.1%	15 (15%)	27 (27%)
Fortune 201-300	93	8.5%	24 (26%)	22 (24%)
Fortune 301-400	92	9.5%	18 (20%)	31 (34%)
Fortune 401-500	93	9.9%	20 (22%)	28 (30%)
Total	475	11.8%	87 (18%)	149 (31%)
BY INDUSTRY GROUP				
Mining, crude oil production	12	6.5%	5 (42%)	4 (33%)
Food	50	7.5%	10 (20%)	14 (28%)
Tobacco	5	2.0%	1 (20%)	1 (20%)
Textiles, vinyl flooring	13	8.3%	2 (15%)	4 (31%)
Apparel	8	5.4%	2 (25%)	3 (38%)
Furniture	1	6.2%	0 (0%)	1 (100%)
Paper, fiber and wood products	30	9.2%	4 (13%)	9 (30%)
Publishing, printing	12	16.1%	2 (17%)	4 (33%)
Chemicals	36	14.3%	3 (8%)	12 (33%)
Petroleum refining	36	17.3%	6 (17%)	11 (31%)
Rubber, plastic products	7	22.4%	0 (0%)	0 (0%)
Leather	2	.4%	1 (50%)	1 (50%)
Glass, concrete abrasives, gypsum	15	9.4%	3 (20%)	6 (40%)
Metal manufacturing	40	9.5%	8 (20%)	17 (43%)
Metal products	25	13.4%	3 (12%)	9 (36%)
Electronics, appliances	30	13.3%	5 (17%)	8 (27%)
Shipbuilding, railrd., trans. equip.	5	10.4%	1 (20%)	2 (40%)
Measuring, scient., photo equip.	17	12.1%	3 (18%)	3 (18%)
Motor vehicles	21	15.4%	4 (19%)	5 (24%)
Aerospace	12	2.0%	3 (25%)	5 (42%)
Pharmaceuticals	15	13.7%	2 (13%)	6 (40%)
Soaps, cosmetics	6	9.6%	1 (17%)	2 (33%)
Office equipment (incl. computers)	11	5.7%	3 (27%)	1 (9%)
Industrial & farm equipment	44	9.9%	11 (25%)	13 (30%)
Musical instr., toys, sporting goods	4	5.8%	2 (50%)	0 (0%)
Broadcasting, motion picture prod., distr.	6	10.6%	1 (17%)	2 (33%)
Beverages	12	9.8%	1 (8%)	6 (50%)
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP				
Commercial banking	48	6.6%	8 (17%)	19 (40%)
Retailing	32	11.0%	10 (31%)	9 (28%)
Transportation	40	12.4%	7 (18%)	12 (30%)
Utilities	50	7.4%	6 (12%)	18 (36%)
Total	170	9.1%	31 (18%)	58 (34%)

Number of Companies (Percent of Sample)

Increase of 10-19.9%	Increase of 20-29.9%	Increase of 30-39.9%	Increase of 40-49.9%	Increase of 50% or More	Average Cost Per Employee (in Dollars)	
					1979	1978
24 (25%)	11 (11%)	7 (7%)	1 (1%)	3 (3%)	\$1,534	\$1,361
33 (33%)	11 (11%)	9 (9%)	2 (2%)	3 (3%)	889	800
26 (28%)	9 (10%)	4 (4%)	3 (3%)	5 (5%)	921	849
21 (23%)	9 (10%)	5 (5%)	3 (3%)	5 (5%)	730	667
25 (27%)	12 (13%)	4 (4%)	2 (2%)	2 (2%)	745	678
129 (27%)	52 (11%)	29 (6%)	11 (2%)	18 (4%)	\$1,243	\$1,111
0 (0%)	1 (8%)	1 (8%)	1 (8%)	0 (0%)	\$1,509	\$1,417
17 (34%)	6 (12%)	2 (4%)	0 (0%)	1 (2%)	637	593
3 (60%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	898	917
4 (31%)	2 (15%)	1 (8%)	0 (0%)	0 (0%)	393	363
2 (25%)	0 (0%)	1 (13%)	0 (0%)	0 (0%)	328	311
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	256	242
12 (40%)	2 (7%)	2 (7%)	1 (3%)	0 (0%)	1,077	986
2 (17%)	1 (8%)	1 (8%)	1 (8%)	1 (8%)	881	759
9 (25%)	9 (25%)	1 (3%)	1 (3%)	1 (3%)	1,402	1,227
8 (22%)	2 (6%)	2 (6%)	0 (0%)	7 (19%)	2,013	1,716
4 (57%)	0 (0%)	1 (14%)	1 (14%)	1 (14%)	993	811
0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	316	314
4 (27%)	1 (7%)	0 (0%)	0 (0%)	1 (7%)	1,099	1,005
7 (18%)	5 (13%)	0 (0%)	2 (5%)	1 (3%)	2,057	1,878
10 (40%)	2 (8%)	1 (4%)	0 (0%)	0 (0%)	959	846
10 (33%)	2 (7%)	4 (13%)	1 (3%)	0 (0%)	994	877
1 (20%)	1 (20%)	0 (0%)	0 (0%)	0 (0%)	672	608
2 (12%)	2 (12%)	5 (29%)	1 (6%)	1 (6%)	1,223	1,090
9 (43%)	2 (10%)	0 (0%)	0 (0%)	1 (5%)	1,616	1,400
2 (17%)	2 (17%)	0 (0%)	0 (0%)	0 (0%)	1,365	1,338
3 (20%)	0 (0%)	3 (20%)	1 (7%)	0 (0%)	751	660
2 (33%)	1 (17%)	0 (0%)	0 (0%)	0 (0%)	609	555
4 (36%)	1 (9%)	2 (18%)	0 (0%)	0 (0%)	1,602	1,515
9 (20%)	8 (18%)	1 (2%)	1 (2%)	1 (2%)	1,118	1,017
1 (25%)	0 (0%)	0 (0%)	0 (0%)	1 (25%)	509	481
2 (33%)	0 (0%)	0 (0%)	0 (0%)	1 (17%)	727	658
2 (17%)	2 (17%)	1 (8%)	0 (0%)	0 (0%)	704	642
14 (29%)	4 (8%)	3 (6%)	0 (0%)	0 (0%)	\$ 897	\$ 841
8 (25%)	2 (6%)	1 (3%)	0 (0%)	2 (6%)	343	309
7 (18%)	6 (15%)	3 (8%)	2 (5%)	3 (8%)	1,304	1,160
16 (32%)	8 (16%)	2 (4%)	0 (0%)	0 (0%)	2,241	2,087
45 (26%)	20 (12%)	9 (5%)	2 (1%)	5 (3%)	\$1,173	\$1,075

Pension cost equalled 7.3 per cent of wages and salaries in 1979, 7.1 per cent in 1978

7. Pension Cost as a Percent of Wages and Salaries, 1979 and 1978

Note: Because most companies do not disclose wages and salaries in their annual reports to shareholders, Exhibit 7 on page 30 is based on statistics for only 295 companies. It is broken out by Fortune Industrial and three Non-Industrial groups. There were not enough participants to further define all the Industrials by industry category or the Non-Industrial retailing group and still present significant figures in the Exhibit itself, although those of significance are included in the text below. Note, also, that the wages and salaries figures, reflected in the graph at right and included in Exhibit 7, include, for 163 companies, the cost of employee benefits. For some, they may also include wages and salaries for foreign employees. Thus, the statistics in this section may be understated. However, because of the large amounts spent on wages and salaries (whether or not employee benefit costs are included), comparison with pension cost is of significance. Pension cost figures in this section reflect only those companies which also disclosed wages and salaries.

The 196 Fortune 500 Industrial companies presented in this Exhibit paid \$187.1 billion in wages and salaries in 1979 — or 14 per cent more than in 1978, even though there were two more companies supplying figures for the earlier year. The pension cost paid by these same companies was up 17.6 per cent for 1979. Pension costs equalled 7.3 per cent of wages and salaries in 1979, versus 7.1 per cent in 1978. Of the Fortune Industrial rankings, however, all but the 1-100 group had a pension cost to wage and salary ratio in the mid-5 per cent area. The Fortune 1-100 group's increase of 7.8 per cent reflects a greater sampling of companies — 68, versus 36 in the next best-represented group.

Of the industry groups where there was some significance to the sampling, (i.e., more than ten companies), petroleum refiners were high, with pension cost in 1979 equalling 10.1 per cent of wages and salaries for seventeen companies. This corresponds to an equally high 23.7 per cent rise in pension cost (Exhibit 2, for 36 companies).

The nineteen metal manufacturing firms which disclosed wages and salaries for both 1979 and 1978 saw pension cost equal to those figures of 9.1 and 9.6 per cent, respectively. Pension cost for these firms, too, rose at a higher rate than wages and salaries (12.4 per cent, 40 companies). Ten companies in the electronics and appliances industry saw pension cost as a percent of wages and salaries remain constant at 6.7 per cent for both 1979 and 1978. Not so for nineteen paper, fiber and wood products companies whose figures decreased to 5.6 per cent in 1979 from 5.8 per cent in 1978. Fifteen chemical companies had pension cost equal to 7.5 per cent of wages and salaries in 1979, up from 1978's 7.3 per cent, and ten companies in the glass, concrete, abrasives, gypsum group had a slight downturn in such figures from 6.1 per cent in 1978 to 6 per cent in 1979.

The 99 firms in the Non-Industrial group showed a slight increase in pension cost as a percent of wages and salaries — 6.7 per cent in 1979, versus 6.6 per cent in 1978 (94 companies). Overall, these figures are somewhat lower than those for the Industrial group (7.3 and 7.1 per cent, respectively). Utilities showed the greatest pension cost to wages ratio at 12.7 per cent in 1979, while transportation and banking companies were lowest at 5.9 per cent. The 50 commercial banks which reported figures for both years realized a decrease, from 6.1 per cent in 1978 down to 5.9 per cent in 1979 (the bank with no pension cost in 1978 is included in the .1-4.9 per cent category in this Exhibit, the lowest one to which it could be assigned). Highest pension cost as a percent of wages and salaries for an Industrial company in 1979 was 19.9 per cent; for a Non-Industrial, 20.1 per cent. These two companies also had the highest pension-cost-per-employee figure (Exhibit 5).

Pension Cost as a Percent of Wages and Salaries, 1979 and 1978

Fortune 500 Companies

1979 Average: 7.3%

1978 Average: 7.1%

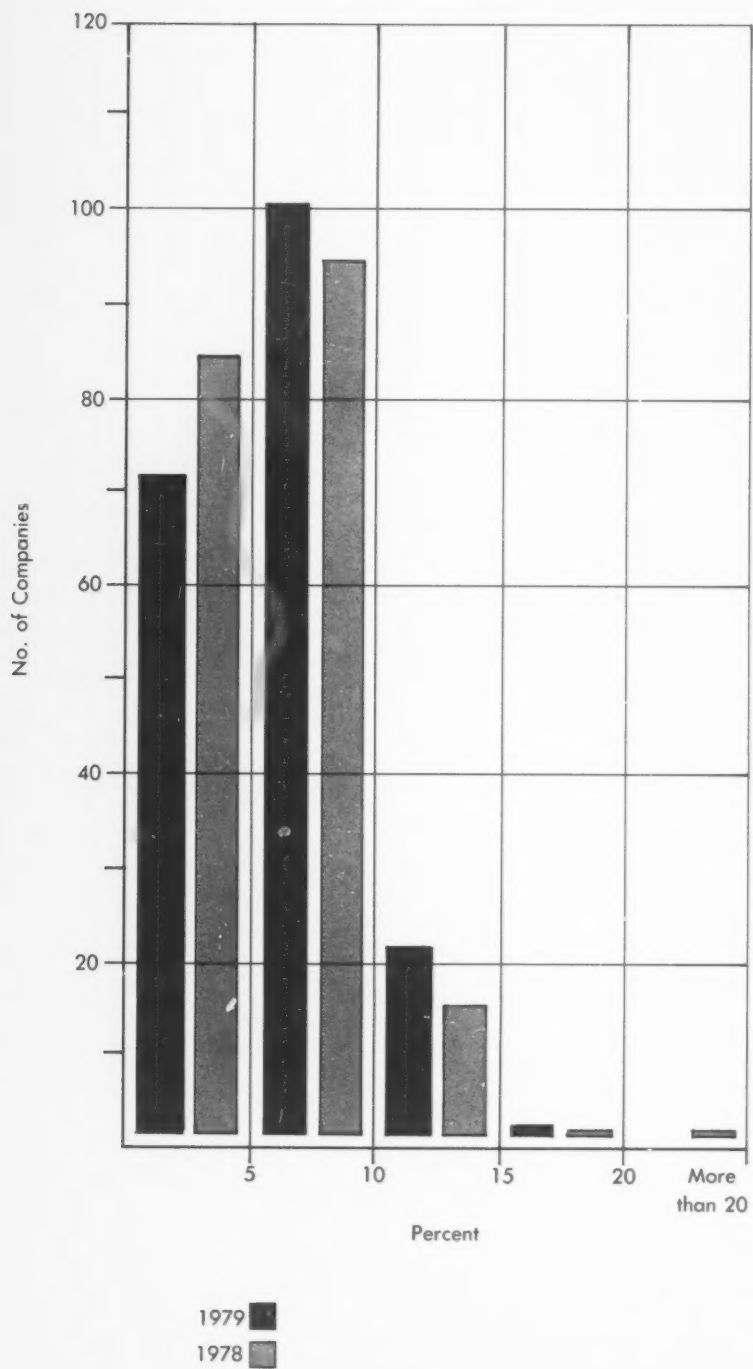


EXHIBIT 7 Pension Cost as a Percent of Wages and Salaries, 1979 and 1978

	Number of Companies		Pension Cost (\$ Millions)		Wages & Salaries (\$ Millions)		Pension Cost as a Percent of Wages & Salaries	
	1979	1978	1979	1978	1979	1978	1979	1978
BY FORTUNE 500 INDUSTRIAL GROUP								
Fortune 1-100	68	68	\$11,074.8	\$ 9,344.1	\$142,393.8	\$123,939.4	7.8%	7.5%
Fortune 101-200	36	37	1,303.6	1,158.2	22,449.1	20,046.9	5.8%	5.8%
Fortune 201-300	35	37	678.6	606.5	11,912.6	10,660.8	5.7%	5.7%
Fortune 301-400	33	32	367.2	306.2	7,105.2	5,999.2	5.2%	5.1%
Fortune 401-500	24	24	185.3	157.4	3,271.3	2,799.9	5.7%	5.5%
Total 196	196	198	\$13,609.5	\$11,572.4	\$187,132.0	\$163,446.2	7.3%	7.1%
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP								
Commercial banking	50	50	\$ 478.3	\$ 421.6	\$ 8,072.4	\$ 6,903.3	5.9%	6.1%
Transportation	27	27	1,011.8	844.8	17,308.5	14,781.2	5.9%	5.7%
Utilities	22	17	464.6	349.6	3,655.6	2,702.8	12.7%	12.9%
Total 99	99	94	\$ 1,954.7	\$ 1,616.0	\$29,036.5	\$24,387.3	6.7%	6.6%

Number of Companies (Percent of Sample)

Pension Cost = .1-4.9% of Wages & Salaries		Pension Cost = 5-9.9% of Wages & Salaries		Pension Cost = 10-14.9% of Wages & Salaries		Pension Cost = 15-19.9% of Wages & Salaries		Pension Cost = 20% or more of Wages & Salaries	
1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
16 (24%)	18 (26%)	36 (53%)	37 (54%)	15 (22%)	12 (18%)	1 (1%)	0 (0%)	0 (0%)	1 (1%)
14 (39%)	17 (46%)	21 (58%)	20 (54%)	1 (3%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
13 (37%)	19 (51%)	20 (57%)	16 (43%)	2 (6%)	2 (5%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
18 (55%)	18 (56%)	14 (42%)	14 (44%)	1 (3%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
10 (42%)	12 (50%)	10 (42%)	8 (33%)	3 (13%)	3 (13%)	1 (4%)	1 (4%)	0 (0%)	0 (0%)
71 (36%)	84 (42%)	101 (52%)	95 (48%)	22 (11%)	17 (9%)	2 (1%)	1 (1%)	0 (0%)	1 (1%)
18 (36%)	15 (30%)	30 (60%)	33 (66%)	1 (2%)	1 (2%)	1 (2%)	1 (2%)	0 (0%)	0 (0%)
10 (37%)	11 (41%)	15 (56%)	13 (48%)	2 (7%)	3 (11%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	9 (41%)	6 (35%)	9 (41%)	8 (47%)	3 (14%)	3 (18%)	1 (5%)	0 (0%)
28 (28%)	26 (28%)	54 (55%)	52 (55%)	12 (12%)	12 (13%)	4 (4%)	4 (4%)	1 (1%)	0 (0%)

Only 5 per cent of Industrial companies had unfunded vested liabilities of at least 30 per cent of net worth

8. Unfunded Vested Liabilities as a Percent of Net Worth, 1979 and 1978

Unfunded vested liabilities as a percent of net worth averaged 7.3 per cent for the 444 Fortune Industrial companies in Exhibit 8 on page 34. This is a slight decrease from 7.6 per cent, which was posted by 435 corporations in 1978. Indeed, 28 per cent of these companies had no unfunded vested liabilities in 1979, while only 5 per cent showed such liabilities to be equal to at least 30 per cent of net worth. (Thirty per cent is used as our cut-off figure, since it is up to that percent of a company's net worth that could be called upon under ERISA to fund benefits guaranteed by the Pension Benefit Guaranty Corporation should a plan terminate with insufficient assets.) Vested liabilities can be used as a serviceable approximation of PBGC-guaranteed benefits.

The breakdown in the Exhibit shows that one-half of the Industrial companies in 1979 had unfunded vested liabilities of less than 10 per cent of net worth. The 92 companies in the Fortune 1-100 group showed the highest average unfunded vested liability to net worth ratio, at 8.1 per cent. This ratio steadily decreased for the following 100-groupings, down to an average of 4.8 per cent for the 90 corporations in the Fortune 401-500 group.

Except for the one-company furniture group, which had no unfunded vested liabilities, the soaps, cosmetics group (4 companies) had the lowest ratio, .4 per cent — up from .1 per cent in 1978. Seventeen firms in the measuring, scientific, photo equipment category saw unfunded vested liabilities equal .5 per cent of net worth in 1979, followed by petroleum refiners with a .6 per cent ratio. Of the 27 industry groups, the unfunded vested liabilities for seven were less than 1 per cent of their net worths.

The highest ratio of the industry groups was experienced by motor vehicles, with unfunded vested liabilities averaging 26.1 per cent of net worth, a jump from its lower 1978 ratio of 20.5 per cent. While 29 per cent of the motor vehicle companies had unfunded vested liabilities of less than 10 per cent of net worth, 19 per cent reached or surpassed the 30 per cent mark. Rubber and plastic product manufacturers registered the next highest ratio in 1979 — 21.3 per cent. Metal manufacturers followed with 20.7 per cent; it was this industry group which had the greatest number of its 39 companies — 23 per cent — in the 30 per cent range. Of the eighteen industry groups whose companies reported unfunded vested liabilities for both 1979 and 1978, eleven had a decrease in their ratio to net worth, six showed an increase, and one saw no change.

Non-Industrial groups did even better than the Industrials, with unfunded vested liabilities averaging 1.5 per cent of net worth in 1979 for 156 companies. Fifty-two per cent of these corporations had no unfunded vested liabilities in 1979, with another 44 per cent standing with liabilities of less than 10 per cent of net worth. Transportation companies were highest among the Non-Industrials, at 6 per cent, while commercial banks were lowest, .4 per cent.

Highest unfunded vested liabilities to net worth figure by an Industrial company was 117.4 per cent in 1979; by a Non-Industrial, 54.1 per cent.

The overall distribution of both Fortune Industrial and Non-Industrial companies looked like this:

Unfunded Vested Liabilities as a Percent of Net Worth	Number of Companies		Percent	
	1979	1978	1979	1978
0	205	182	34%	31%
.1-9.9%	289	280	49	48
10-19.9%	62	71	10	12
20-29.9%	18	22	3	4
30% or greater	26	29	4	5
	Total 600	584	100%	100%

On average, unfunded vested liabilities for all companies in 1979 equalled 5.5 per cent of net worth, down from 5.7 per cent in 1978.

Note: While it is acknowledged that different actuarial assumptions and methods can produce different amounts of unfunded vested liabilities (or past service liabilities, as in the following Exhibit) the data presented here, because of the large size of the sample, is still significant. And it is certainly noteworthy that these pension plans are, on average, well funded (see Exhibit 10, page 42, for funding statistics).

Unfunded Vested Liabilities as a Percent of Net Worth, 1979 and 1978

Fortune 500 Companies

1979 Average: 7.3%

1978 Average: 7.6%

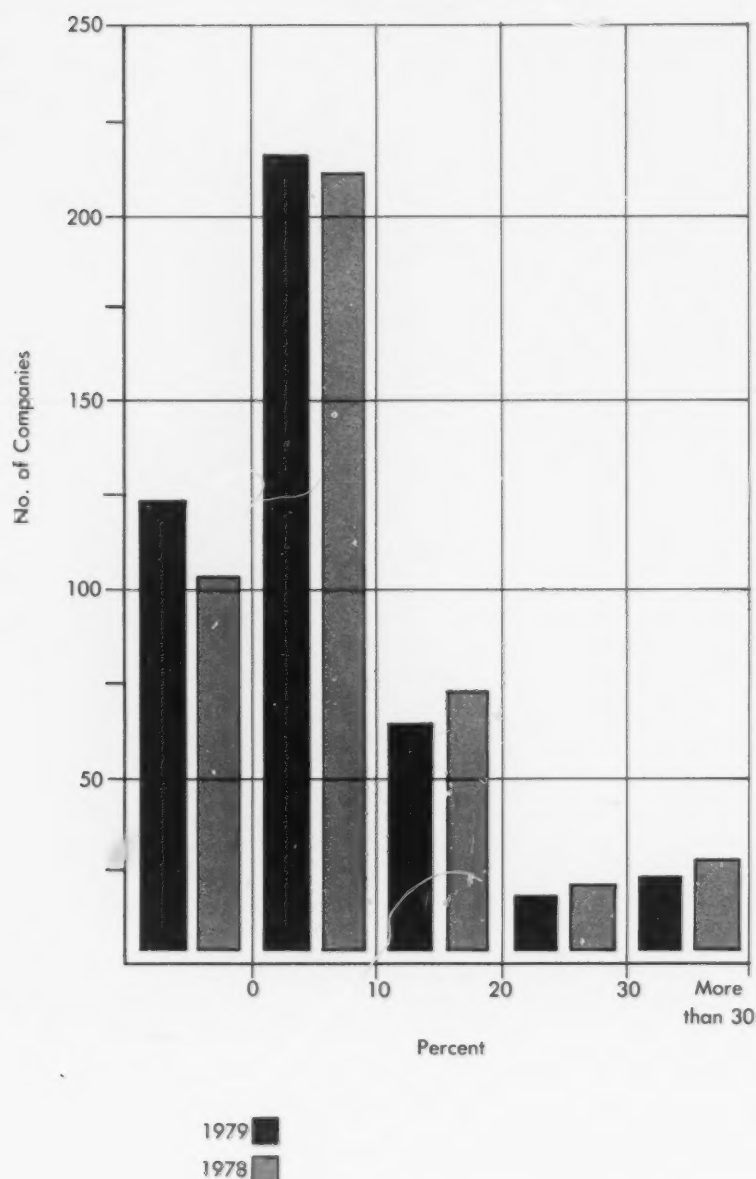


EXHIBIT 8 Unfunded Vested Liabilities (UVL) as a Percent of Net Worth, 1979 and 1978

	Number of Companies		UVL (\$ Millions)		Net Worth (\$ Millions)		UVL as a Percent of Net Worth (Average)	
	1979	1978	1979	1978	1979	1978	1979	1978
BY FORTUNE 500 INDUSTRIAL GROUP								
Fortune 1-100	92	91	\$23,739.3	\$20,935.8	\$293,421.4	\$260,564.4	8.1%	8.1%
Fortune 101-200	93	93	5,297.5	5,226.8	81,967.8	72,083.3	6.5%	7.3%
Fortune 201-300	84	83	2,245.8	2,330.0	40,338.1	34,743.4	5.6%	6.7%
Fortune 301-400	85	84	1,218.1	1,266.6	22,904.4	20,014.6	5.3%	6.3%
Fortune 401-500	90	84	732.4	778.6	15,319.6	13,025.5	4.8%	6.0%
Total 444	435		\$33,233.1	\$30,537.6	\$453,951.3	\$400,431.2	7.3%	7.6%
BY INDUSTRY GROUP								
Mining, crude oil production	11	11	\$ 133.9	\$ 135.3	\$10,921.5	\$ 9,070.8	1.2%	1.5%
Food	47	45	1,032.8	821.0	24,020.1	20,889.1	4.3%	3.9%
Tobacco	3	3	237.9	228.1	5,025.5	4,352.5	4.7%	5.2%
Textiles, vinyl flooring	11	11	102.7	87.3	3,539.1	3,580.0	2.9%	2.4%
Apparel	7	7	64.1	63.3	1,784.3	1,628.5	3.6%	3.9%
Furniture	1	1	0	0	187.5	185.7	0%	0%
Paper, fiber and wood products	28	28	1,037.3	1,145.9	22,078.8	19,326.7	4.7%	5.9%
Publishing, printing	11	10	37.8	42.5	4,438.2	3,819.6	.9%	1.1%
Chemicals	34	32	1,539.7	1,343.1	33,891.5	30,050.3	4.5%	4.5%
Petroleum refining	34	34	664.0	736.9	112,666.7	97,062.3	.6%	.8%
Rubber, plastic products	7	7	1,540.7	1,365.2	7,239.3	6,999.6	21.3%	19.5%
Leather	2	1	23.9	19.0	417.8	245.8	5.7%	7.7%
Glass, concrete, abrasives, gypsum	15	15	839.8	831.5	7,730.8	7,109.0	10.9%	11.7%
Metal manufacturing	39	39	6,845.3	7,030.8	33,128.0	30,344.9	20.7%	23.2%
Metal products	26	25	794.1	780.8	11,455.1	9,381.8	6.9%	8.3%
Electronics, appliances	28	29	2,424.0	2,268.7	32,289.9	29,584.6	7.5%	7.7%
Shipbuilding, railrd., trans. equip.	4	4	229.0	172.5	1,463.7	1,268.4	15.7%	13.6%
Measuring, scient., photo equip.	17	16	94.1	88.1	17,284.8	14,476.0	.5%	.6%
Motor vehicles	21	21	11,138.6	8,199.3	42,664.5	39,998.1	26.1%	20.5%
Aerospace	11	11	881.7	1,144.1	9,157.1	7,316.9	9.6%	15.6%
Pharmaceuticals	13	13	215.2	213.8	14,576.1	12,966.6	1.5%	1.7%
Soaps, cosmetics	4	4	6.6	2.2	1,612.6	1,784.1	.4%	.1%
Office equipment (incl. computers)	10	9	501.4	993.2	24,521.8	21,419.7	2.0%	4.6%
Industrial & farm equipment	44	43	2,726.6	2,713.7	24,350.6	20,947.3	11.2%	13.0%
Musical instr., toys, sporting goods	3	3	7.6	10.4	930.9	857.8	.8%	1.2%
Broadcasting, motion picture prod., distr.	5	5	20.3	7.2	2,423.7	2,053.9	.8%	.4%
Beverages	8	8	94.0	93.7	4,151.4	3,711.2	2.3%	2.5%
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP								
Commercial banking	45	42	\$ 147.3	\$ 174.4	\$ 34,028.9	\$ 29,653.5	.4%	.6%
Retailing	28	27	277.6	435.6	22,624.8	20,742.4	1.2%	2.1%
Transportation	38	35	1,298.7	1,085.5	21,578.2	19,278.7	6.0%	5.6%
Utilities	45	45	1,273.0	1,446.9	125,771.4	116,400.2	1.0%	1.2%
Total 156	149		\$ 2,996.6	\$ 3,142.4	\$204,003.3	\$186,074.8	1.5%	1.7%

Number of Companies (Percent of Sample)

UVL = 0		UVL = 1-9.9% of Net Worth		UVL = 10-19.9% of Net Worth		UVL = 20-29.9% of Net Worth		UVL = At Least 30% of Net Worth	
1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
26 (28%)	24 (26%)	36 (39%)	33 (36%)	16 (17%)	19 (21%)	5 (5%)	6 (7%)	9 (10%)	9 (10%)
20 (22%)	19 (20%)	54 (58%)	53 (57%)	10 (11%)	13 (14%)	5 (5%)	4 (4%)	4 (4%)	4 (4%)
23 (27%)	23 (28%)	42 (50%)	37 (44%)	14 (17%)	15 (18%)	3 (4%)	4 (5%)	2 (2%)	4 (5%)
28 (33%)	23 (27%)	40 (47%)	43 (51%)	8 (9%)	9 (11%)	3 (4%)	2 (2%)	6 (7%)	7 (8%)
27 (30%)	20 (24%)	49 (54%)	46 (55%)	10 (11%)	10 (12%)	2 (2%)	5 (6%)	2 (2%)	3 (4%)
124 (28%)	109 (25%)	221 (50%)	212 (49%)	58 (13%)	66 (15%)	18 (4%)	21 (5%)	23 (5%)	27 (6%)
6 (55%)	6 (55%)	5 (45%)	5 (45%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
18 (38%)	16 (36%)	22 (47%)	23 (51%)	5 (11%)	3 (7%)	1 (2%)	2 (4%)	1 (2%)	1 (2%)
0 (0%)	0 (0%)	2 (67%)	2 (67%)	1 (33%)	1 (33%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
4 (36%)	5 (45%)	6 (55%)	5 (45%)	0 (0%)	0 (0%)	1 (9%)	0 (0%)	0 (0%)	1 (9%)
5 (71%)	4 (57%)	2 (29%)	3 (43%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (100%)	1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
4 (14%)	4 (14%)	21 (75%)	18 (64%)	3 (11%)	6 (21%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
7 (64%)	4 (40%)	4 (36%)	6 (60%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
10 (29%)	9 (28%)	21 (62%)	19 (59%)	3 (9%)	4 (13%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
18 (53%)	17 (50%)	16 (47%)	16 (47%)	0 (0%)	1 (3%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	2 (29%)	3 (43%)	2 (29%)	2 (29%)	2 (29%)	1 (14%)	1 (14%)	1 (14%)
0 (0%)	0 (0%)	2 (100%)	1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
3 (20%)	3 (20%)	6 (40%)	6 (40%)	2 (13%)	1 (7%)	3 (20%)	3 (20%)	1 (7%)	2 (13%)
0 (0%)	1 (3%)	14 (36%)	12 (31%)	12 (31%)	8 (21%)	4 (10%)	8 (21%)	9 (23%)	10 (26%)
5 (19%)	3 (12%)	10 (38%)	10 (40%)	10 (38%)	10 (40%)	1 (4%)	1 (4%)	0 (0%)	1 (4%)
7 (25%)	6 (21%)	16 (57%)	17 (59%)	3 (11%)	4 (14%)	0 (0%)	0 (0%)	2 (7%)	2 (7%)
1 (25%)	1 (25%)	1 (25%)	1 (25%)	1 (25%)	1 (25%)	1 (25%)	1 (25%)	0 (0%)	0 (0%)
10 (59%)	9 (56%)	7 (41%)	6 (38%)	0 (0%)	1 (6%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	6 (29%)	5 (24%)	7 (33%)	8 (38%)	4 (19%)	4 (19%)	4 (19%)	4 (19%)
0 (0%)	0 (0%)	9 (82%)	4 (36%)	0 (0%)	4 (36%)	0 (0%)	1 (9%)	2 (18%)	2 (18%)
6 (46%)	5 (38%)	7 (54%)	8 (62%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
2 (50%)	3 (75%)	2 (50%)	1 (25%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
6 (60%)	3 (33%)	4 (40%)	6 (67%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
7 (16%)	5 (12%)	24 (55%)	23 (53%)	9 (20%)	12 (28%)	1 (2%)	0 (0%)	3 (7%)	3 (7%)
2 (67%)	2 (67%)	1 (33%)	1 (33%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (20%)	1 (20%)	4 (80%)	4 (80%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (13%)	1 (13%)	7 (88%)	7 (88%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
34 (76%)	28 (67%)	11 (24%)	14 (33%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
12 (43%)	10 (37%)	15 (54%)	16 (59%)	1 (4%)	1 (4%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
12 (32%)	13 (37%)	20 (53%)	16 (46%)	3 (8%)	3 (9%)	0 (0%)	1 (3%)	3 (8%)	2 (6%)
23 (51%)	22 (49%)	22 (49%)	22 (49%)	0 (0%)	1 (2%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
81 (52%)	73 (49%)	68 (44%)	68 (46%)	4 (3%)	5 (3%)	0 (0%)	1 (1%)	3 (2%)	2 (1%)

Unfunded past service liabilities averaged 10 per cent of net worth in 1979, for all companies

9. Unfunded Past Service Liabilities as a Percent of Net Worth, 1979 and 1978

Like unfunded vested liabilities in the previous Exhibit, unfunded past service liabilities as a percent of net worth, declined, on average, for the Fortune Industrial companies. In 1979, that figure stood at 11.9 per cent for 293 companies reporting unfunded past service liabilities, versus 12.3 per cent in 1978, for 276 corporations. Fifty-five per cent of the firms in 1979 showed unfunded past service liabilities to be either zero, or less than 10 per cent of net worth. These low figures are perhaps even more reassuring since unfunded past service liabilities can be amortized over 30-year periods (40 years for pre-ERISA liabilities).

Companies in both the nine-company beverage and five-company pharmaceutical industry groups had the lowest significant ratios in this Exhibit, with unfunded past service liabilities equal to 1.8 per cent of net worth, each. For the beverage group this was a slight decrease from the 1.9 per cent figure the same companies reached last year, while the pharmaceuticals experienced a small increase from 1.5 per cent. Five of 27 industry groups showed a ratio of less than 5 per cent.

The unfunded past service liabilities for two industry groups exceeded 30 per cent of net worth in 1979. They were aerospace (37.1 per cent) and metal manufacturing (31.4 per cent). (Note that from Exhibit 8, unfunded vested liabilities for the aerospace groups were only 9.6 per cent of net worth. However, this Exhibit has five fewer companies reporting their figures.) Of the 33 Fortune Industrial companies whose unfunded past service liabilities were at least 30 per cent of net worth, almost one-third were from the metal manufacturing industry group.

Of the fourteen industry groups which reported unfunded past service liabilities in both 1979 and 1978, eight realized a decrease in that ratio to net worth, and six an increase.

Non-Industrial companies again showed a low unfunded past service liabilities to net worth ratio, with 113 companies averaging a 5.6 per cent figure in 1979, just a notch below the 5.9 per cent (107 companies) for 1978. The transportation group showed the highest ratio, at 12.8 per cent in 1979, with commercial banks on the low end — 3.5 per cent. Seventy-eight per cent of the Non-Industrial companies had unfunded past service liabilities of less than 10 per cent of net worth in 1979, and 6 per cent indicated no unfunded past service liabilities at all.

The overall distribution of both Fortune Industrial and Non-Industrial companies for both years looked like this:

Unfunded Past Service Liabilities as a Percent of Net Worth	Number of Companies		Percent	
	1979	1978	1979	1978
0	24	19	6%	5%
.1-9.9%	232	216	57	57
10-19.9%	81	78	20	20
20-29.9%	32	37	8	10
30% or greater	37	31	9	8
Total	406	383	100%	100%

Unfunded past service liabilities for all companies were, on average, 10 per cent of net worth in 1979, down from 10.4 per cent in 1978.

**Unfunded Past Service Liabilities
as a Percent of Net Worth, 1979 and 1978**

Fortune 500 Companies

1979 Average: 11.9%

1978 Average: 12.3%

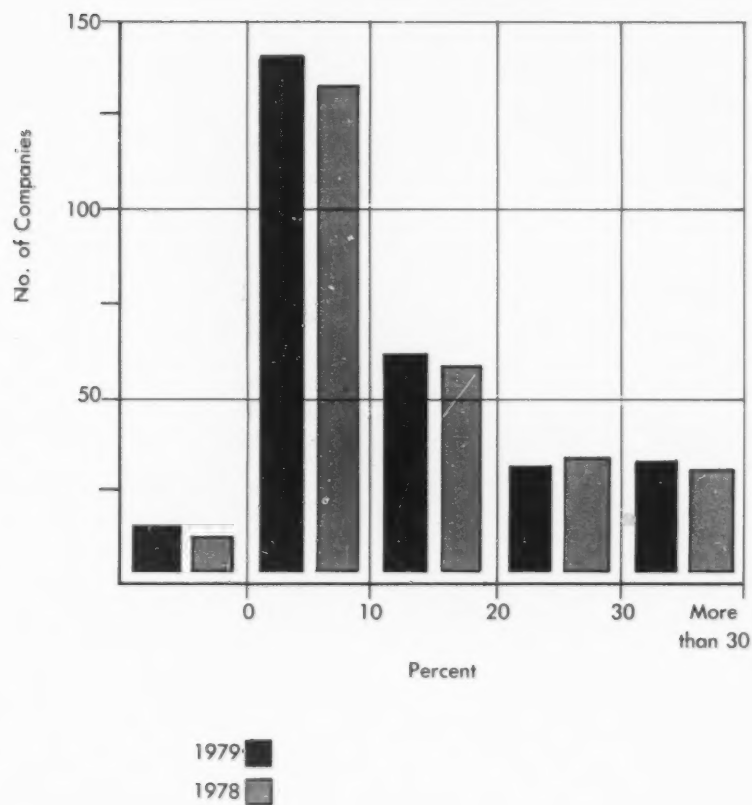


EXHIBIT 9 Unfunded Past Service Liabilities (UPSL) as a Percent of Net Worth, 1979 and 1978

	Number of Companies		UPSL (\$ Millions)		Net Worth (\$ Millions)		UPSL as a Percent of Net Worth (Average)	
	1979	1978	1979	1978	1979	1978	1979	1978
BY FORTUNE 500 INDUSTRIAL GROUP								
Fortune 1-100	54	52	\$ 19,026.5	\$ 17,875.2	\$155,237.9	\$141,872.2	12.3%	12.6%
Fortune 101-200	57	56	5,675.8	5,282.9	48,556.0	43,398.2	11.7%	12.2%
Fortune 201-300	56	53	2,418.9	1,991.6	25,314.2	21,228.0	9.6%	9.4%
Fortune 301-400	58	52	1,865.5	1,631.5	15,871.1	12,955.7	11.8%	12.6%
Fortune 401-500	68	63	1,445.9	1,294.3	11,812.2	9,678.2	12.2%	13.4%
Total 293	276		\$ 30,432.6	\$ 28,075.5	\$256,791.4	\$229,132.3	11.9%	12.3%
BY INDUSTRY GROUP								
Mining, crude oil production	10	9	\$ 764.7	\$ 629.4	\$ 9,554.0	\$ 6,990.2	8.0%	9.0%
Food	27	27	1,725.3	1,494.3	12,844.0	11,038.0	13.4%	13.5%
Tobacco	1	1	309.0	193.0	2,997.8	2,629.5	10.3%	7.3%
Textiles, vinyl flooring	9	7	216.4	177.0	2,657.7	1,975.9	8.1%	9.0%
Apparel	7	7	173.2	159.3	2,523.6	2,124.3	6.9%	7.5%
Furniture	1	1	3.1	4.5	187.5	185.7	1.7%	2.4%
Paper, fiber and wood products	24	23	2,029.2	1,680.1	19,545.6	16,182.3	10.4%	10.4%
Publishing, printing	6	4	122.3	83.4	2,090.0	1,486.4	5.9%	5.6%
Chemicals	21	20	3,487.8	3,158.5	21,861.1	19,633.2	16.0%	16.1%
Petroleum refining	23	23	2,214.0	2,836.8	60,350.2	60,356.0	3.7%	4.7%
Rubber, plastic products	5	5	1,121.0	893.5	4,566.1	4,257.5	24.6%	21.0%
Leather	1	0	7.8	0	144.5	0	5.4%	0%
Glass, concrete, abrasives, gypsum	9	7	860.4	593.7	4,313.3	3,175.9	20.0%	18.7%
Metal manufacturing	24	23	6,313.8	6,233.6	20,142.5	19,418.4	31.4%	32.1%
Metal products	21	18	2,224.9	1,659.3	9,173.5	6,651.2	24.3%	25.0%
Electronics, appliances	20	20	2,793.3	2,371.0	19,091.3	17,322.7	14.6%	13.7%
Shipbuilding, railrd., trans, equip.	2	2	72.1	56.6	583.0	509.7	12.4%	11.1%
Measuring, scient., photo equip.	12	13	824.2	814.9	9,524.5	8,268.1	8.7%	9.9%
Motor vehicles	9	9	849.3	887.1	3,129.6	2,771.0	27.1%	32.0%
Aerospace	6	5	1,342.8	993.7	3,622.1	894.0	37.1%	111.2%
Pharmaceuticals	5	5	96.2	71.2	5,307.9	4,634.9	1.8%	1.5%
Soaps, cosmetics	3	3	163.7	178.2	2,225.5	2,098.4	7.4%	8.5%
Office equipment (incl. computers)	7	7	1,201.8	1,509.5	19,995.6	19,537.4	6.0%	7.7%
Industrial & farm equipment	25	22	1,285.5	1,184.1	12,228.7	9,843.0	10.5%	12.0%
Musical instr., toys, sporting goods	3	3	80.6	100.8	930.9	857.8	8.7%	11.8%
Broadcasting, motion picture prod., distr.	3	3	52.1	19.1	1,737.2	1,410.2	3.0%	1.4%
Beverages	9	9	98.1	92.9	5,463.7	4,880.6	1.8%	1.9%
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP								
Commercial banking	35	34	\$ 767.7	\$ 713.3	\$ 21,977.2	\$ 19,538.4	3.5%	3.7%
Retailing	20	18	1,489.0	1,412.8	17,328.4	15,733.8	8.6%	9.0%
Transportation	24	23	1,441.6	1,307.9	11,284.5	9,264.4	12.8%	14.1%
Utilities	34	32	2,352.3	2,168.9	58,286.4	50,616.1	4.0%	4.3%
Total 113	107		\$ 6,050.6	\$ 5,602.9	\$108,876.5	\$ 95,152.7	5.6%	5.9%

Number of Companies (Percent of Sample)

UPSL = 0		UPSL = 1-9.9% of Net Worth		UPSL = 10-19.9% of Net Worth		UPSL = 20-29.9% of Net Worth		UPSL = At Least 30% of Net Worth	
1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
4 (7%)	3 (6%)	24 (44%)	23 (44%)	9 (17%)	10 (19%)	6 (11%)	7 (13%)	11 (20%)	9 (17%)
3 (5%)	2 (4%)	25 (44%)	27 (48%)	17 (30%)	14 (25%)	8 (14%)	12 (21%)	4 (7%)	1 (2%)
5 (9%)	5 (9%)	32 (57%)	28 (53%)	9 (16%)	12 (23%)	7 (13%)	4 (8%)	3 (5%)	4 (8%)
3 (5%)	2 (4%)	29 (50%)	24 (46%)	13 (22%)	15 (29%)	4 (7%)	3 (6%)	9 (16%)	8 (15%)
2 (3%)	1 (2%)	34 (50%)	34 (54%)	21 (31%)	13 (21%)	5 (7%)	8 (13%)	6 (9%)	7 (11%)
17 (6%)	13 (5%)	144 (49%)	136 (49%)	69 (24%)	64 (23%)	30 (10%)	34 (12%)	33 (11%)	29 (11%)
1 (10%)	1 (11%)	8 (80%)	7 (78%)	0 (0%)	0 (0%)	0 (0%)	1 (11%)	1 (10%)	0 (0%)
2 (7%)	2 (7%)	14 (52%)	13 (48%)	6 (22%)	8 (30%)	4 (15%)	3 (11%)	1 (4%)	1 (4%)
0 (0%)	0 (0%)	0 (0%)	1 (100%)	1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (11%)	0 (0%)	5 (56%)	4 (57%)	2 (22%)	2 (29%)	0 (0%)	0 (0%)	1 (11%)	1 (14%)
0 (0%)	0 (0%)	6 (86%)	4 (57%)	1 (14%)	2 (29%)	0 (0%)	1 (14%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	1 (100%)	1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	14 (58%)	12 (52%)	9 (38%)	9 (39%)	1 (4%)	2 (9%)	0 (0%)	0 (0%)
1 (17%)	0 (0%)	4 (67%)	4 (100%)	1 (17%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
2 (10%)	1 (5%)	9 (43%)	11 (55%)	5 (24%)	3 (15%)	5 (24%)	5 (25%)	0 (0%)	0 (0%)
1 (4%)	1 (4%)	21 (91%)	18 (78%)	1 (4%)	3 (13%)	0 (0%)	1 (4%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	1 (20%)	1 (20%)	2 (40%)	2 (40%)	0 (0%)	2 (40%)	2 (40%)	0 (0%)
0 (0%)	0 (0%)	1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	3 (33%)	3 (43%)	3 (33%)	2 (29%)	1 (11%)	1 (14%)	2 (22%)	1 (14%)
0 (0%)	0 (0%)	5 (21%)	4 (17%)	5 (21%)	3 (13%)	4 (17%)	5 (22%)	10 (42%)	11 (48%)
0 (0%)	0 (0%)	5 (24%)	5 (28%)	6 (29%)	4 (22%)	4 (19%)	4 (22%)	6 (29%)	5 (28%)
2 (10%)	2 (10%)	6 (30%)	9 (45%)	7 (35%)	6 (30%)	3 (15%)	1 (5%)	2 (10%)	2 (10%)
1 (50%)	1 (50%)	0 (0%)	0 (0%)	0 (0%)	1 (50%)	1 (50%)	0 (0%)	0 (0%)	0 (0%)
1 (8%)	1 (8%)	7 (58%)	5 (38%)	4 (33%)	5 (38%)	0 (0%)	2 (15%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	1 (11%)	1 (11%)	2 (22%)	3 (33%)	2 (22%)	1 (11%)	4 (44%)	4 (44%)
1 (17%)	1 (20%)	1 (17%)	1 (20%)	1 (17%)	0 (0%)	1 (17%)	1 (20%)	2 (33%)	2 (40%)
1 (20%)	0 (0%)	4 (80%)	5 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	3 (100%)	3 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	5 (71%)	5 (71%)	1 (14%)	2 (29%)	1 (14%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	11 (44%)	10 (45%)	10 (40%)	7 (32%)	2 (8%)	3 (14%)	2 (8%)	2 (9%)
0 (0%)	0 (0%)	2 (67%)	2 (67%)	0 (0%)	0 (0%)	1 (33%)	1 (33%)	0 (0%)	0 (0%)
1 (33%)	1 (33%)	2 (67%)	2 (67%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
2 (22%)	2 (22%)	5 (56%)	5 (56%)	2 (22%)	2 (22%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
5 (14%)	5 (15%)	27 (77%)	26 (76%)	3 (9%)	3 (9%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (5%)	0 (0%)	14 (70%)	12 (67%)	4 (20%)	6 (33%)	1 (5%)	0 (0%)	0 (0%)	0 (0%)
1 (4%)	1 (4%)	15 (63%)	14 (61%)	3 (13%)	3 (13%)	1 (4%)	3 (13%)	4 (17%)	2 (9%)
0 (0%)	0 (0%)	32 (94%)	30 (94%)	2 (6%)	2 (6%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
7 (6%)	6 (6%)	88 (78%)	82 (77%)	12 (11%)	14 (13%)	2 (2%)	3 (3%)	4 (4%)	2 (2%)

Plans sponsored by the 432 companies in the Industrial group are 80 per cent funded for vested liabilities

10. Plan Assets as a Percent of Total Vested Liabilities, 1979

The graph at right and Exhibit 10 on page 42 paint a very encouraging picture: that large corporate pension plans, on average, are well funded. In fact, vested liabilities of the plans sponsored by the 432 companies in the Fortune Industrial companies in this Exhibit are 80 per cent funded in the aggregate. Plan assets have increased as a percent of total vested liabilities: Our study last year, for 434 Industrial companies, noted a 77 per cent funding level, 3 per cent less than this year.

(**Note:** Total vested liabilities for purposes of this Exhibit, were calculated by adding the total unfunded vested liabilities of plans for which a plan asset value was available to the total plan asset figure. The ratio of plan assets to total vested liabilities was then calculated. This overstates aggregate total vested liabilities to some degree and correspondingly understates the ratio of plan assets to total vested liabilities — i.e., the funded percent of total vested liabilities. This is countered in part, however, by the fact that most vested liabilities figures are as of the beginning of the year, while assets — usually not including book accruals — are as of the end of the year.)

Of the Industrial companies, only 3 per cent had vested liabilities which were less than 50 per cent funded. Better yet, vested liabilities for 26 per cent were fully funded, and 42 per cent were at least three-quarters of the way there. Sixteen per cent of all Industrials had their vested liabilities at least 90 per cent funded. By industry group, eleven of the 27 had reached, on average, a 90 per cent or better funding level for vested liabilities. The seventeen corporations that comprise the measuring, scientific and photo equipment industry achieved a ratio of plan assets to vested liabilities of 97 per cent. The three companies that manufactured musical instruments, toys, sporting goods, reached that same level.

On average, four industry groups had a vested liability funding level of less than 70 per cent. Lowest among them were rubber, plastic products and shipbuilding, railroad, transportation equipment industries, each at 66 per cent. Metal manufacturers were next lowest (68 per cent), followed by motor vehicles (69 per cent). (These same industries also had the highest unfunded vested liabilities to net worth ratio, see Exhibit 8). Yet, even these industries which are at the bottom of the ranking here still managed a more-than-respectable showing (recognizing, of course, that there may be a handful of companies with serious potential funding problems).

Of the more than \$130 billion in plan assets of the 432 Industrial firms, 73 per cent were held by the 91 Fortune 1-100 companies. Average plan assets for the Fortune 500 group was \$301.7 million; average plan assets for the Fortune 1-100 ranking were \$1,047.1 million. The giant automotive firms were responsible for that industry's huge assets — \$24.3 billion, greater than any other industry — and the highest average plan assets per company of \$1,158.4 million.

The 94 per cent vested liability funding level achieved, on average, by the 139 firms in the Non-Industrial groupings in 1979 (93 per cent for 140 companies in 1978) surpassed the excellent level achieved by the Industrials. In fact, the lowest level achieved by these groups was 83 per cent by the transportation firms. The three remaining groups all bettered the 90 per cent level.

Of the \$50.5 billion in plan assets held by the Non-Industrials, one utility accounted for 50 per cent, thus the high average-plan-assets-per-company figure of \$827.5 million for that Non-Industrial group.

Total plan assets for all 571 companies in this Exhibit in 1979 were \$180.8 billion — or 20 per cent more than the figure recorded in last year's study for 574 companies. These assets also represent 19 per cent of the market value of all shares listed on the New York Stock Exchange at the end of 1979. Funded status for vested benefits of all 571 firms in this report stood at 83 per cent in 1979.

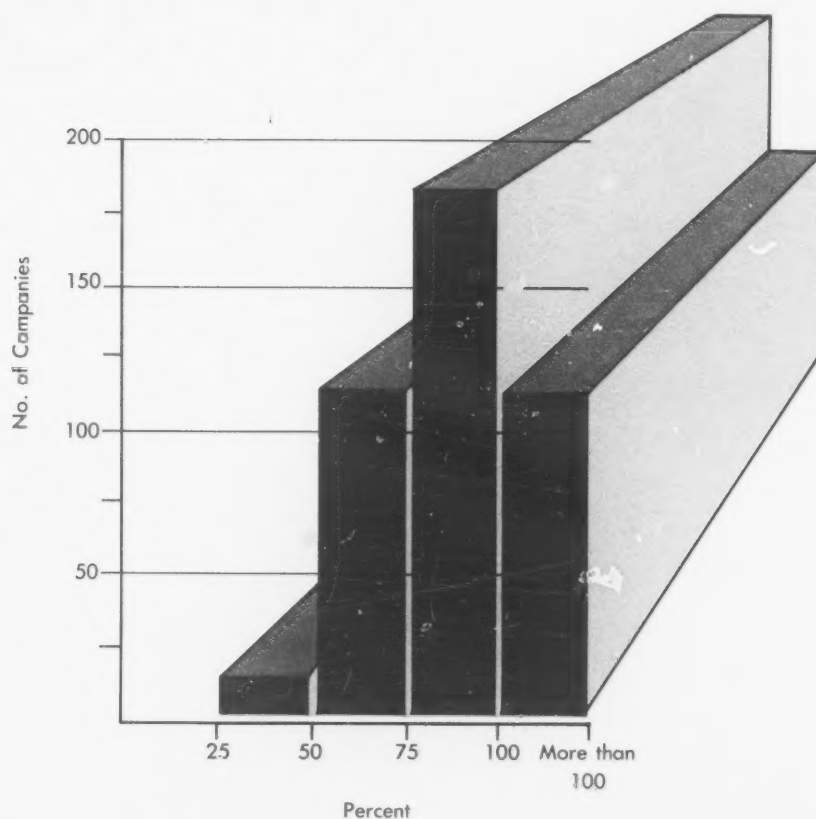
For 42 of the companies listed here, the asset value of the pension plans they sponsor was greater than one-half of their aggregate net worths. Plan assets exceeded net worth at fourteen more companies.

Note: Plan assets for two-thirds of the companies in this Exhibit were obtained directly from the plan sponsors. The remainder were obtained from either the *Blue Book of Pension Funds* or 1980 *Money Market Directory*.*

Plan Assets as a Percent of Total Vested Liabilities, 1979

Fortune 500 Companies

Average: 80%



*The *Blue Book of Pension Funds* is a five-book series published by Insurance Research, Inc., in Washington, D.C. It contains plan asset and actuarial information on more than 14,000 pension funds, by geographical location.

*The 1980 *Money Market Directory* is a 1,400-page reference on all pension funds with assets over \$1.5 million. Based in Charlottesville, Virginia, Money Market Directories, Inc., annually publishes detailed information on all pension plans with assets over \$100,000.

EXHIBIT 10 Plan Assets (PA) as a Percent of Total Vested Liabilities (TVL), 1979

	Number of Companies	Total Plan Assets (in millions)	Total UVL (in millions)	TVL (PA + UVL) (in millions)
BY FORTUNE 500 INDUSTRIAL GROUP				
Fortune 1-100	91	\$ 95,285.5	\$23,547.7	\$118,833.2
Fortune 101-200	93	18,179.8	5,297.5	23,477.3
Fortune 201-300	82	9,625.8	2,230.7	11,856.5
Fortune 301-400	84	4,365.9	1,218.1	5,584.0
Fortune 401-500	82	2,893.8	718.3	3,612.1
Total	432	\$130,350.8	\$33,012.3	\$163,363.1
BY INDUSTRY GROUP				
Mining, crude oil production	11	\$ 1,257.7	\$ 133.9	\$ 1,391.6
Food	44	5,497.6	1,032.8	6,530.4
Tobacco	3	690.3	237.9	928.2
Textiles, vinyl flooring	11	668.6	102.7	771.3
Apparel	6	205.8	64.1	269.9
Furniture	1	48.9	0.0	48.9
Paper, fiber and wood products	28	4,134.9	1,037.3	5,172.2
Publishing, printing	10	753.9	35.3	789.2
Chemicals	33	10,886.1	1,537.6	12,423.7
Petroleum refining	32	13,777.3	664.0	14,441.3
Rubber, plastic products	7	3,052.0	1,540.7	4,592.7
Leather	2	83.3	23.9	107.2
Glass, concrete, abrasives, gypsum	15	2,320.1	839.8	3,159.9
Metal manufacturing	38	14,501.4	6,830.2	21,331.6
Metal products	25	2,834.6	602.5	3,437.1
Electronics, appliances	27	15,799.8	2,414.5	18,214.3
Shipbuilding, railrd., trans. equip.	4	438.8	229.0	667.8
Measuring, scient., photo equip.	17	3,595.8	94.1	3,689.9
Motor vehicles	21	24,325.5	11,138.6	35,464.1
Aerospace	11	8,823.2	881.7	9,704.9
Pharmaceuticals	13	2,291.7	215.2	2,506.9
Soaps, cosmetics	4	146.7	6.6	153.3
Office equipment (incl. computers)	9	6,563.9	501.4	7,065.3
Industrial & farm equipment	44	6,621.1	2,726.6	9,347.7
Musical instr., toys, sporting goods	3	281.9	7.6	289.5
Broadcasting, motion picture prod., distr.	5	291.8	20.3	312.1
Beverages	8	458.1	94.0	552.1
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP				
Commercial banking	36	\$ 3,765.9	\$ 134.1	\$ 3,900.0
Retailing	23	3,106.3	245.1	3,351.4
Transportation	35	6,359.8	1,239.6	7,599.4
Utilities	45	37,237.6	1,273.0	38,510.6
Total	139	\$ 50,469.6	\$ 2,891.8	\$ 53,361.4

Number of Companies (Percent of Sample)

PA as a Percent of TVL (Average)	PA = 1-24.9% TVL	PA = 25-49.9% TVL	PA = 50-74.9% TVL	PA = 75-99.9% TVL	PA = 100% TVL	Plan Assets per Company (Average, in millions)
80%	0 (0%)	3 (3%)	21 (23%)	41 (45%)	26 (28%)	\$1,047.1
77%	0 (0%)	3 (3%)	26 (27%)	45 (48%)	19 (20%)	195.5
81%	0 (0%)	4 (4%)	17 (20%)	39 (47%)	22 (26%)	117.4
78%	0 (0%)	3 (3%)	29 (34%)	26 (30%)	26 (30%)	52.0
80%	0 (0%)	2 (2%)	25 (30%)	33 (40%)	22 (26%)	35.3
80%	0 (0%)	15 (3%)	118 (27%)	184 (42%)	115 (26%)	\$ 301.7
90%	0 (0%)	0 (0%)	3 (27%)	2 (18%)	6 (55%)	\$ 114.3
84%	0 (0%)	1 (2%)	11 (25%)	17 (39%)	15 (34%)	125.0
74%	0 (0%)	1 (33%)	0 (0%)	2 (67%)	0 (0%)	230.1
87%	0 (0%)	0 (0%)	3 (27%)	4 (36%)	4 (36%)	60.8
76%	0 (0%)	0 (0%)	1 (17%)	1 (17%)	4 (67%)	34.3
100%	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	48.9
80%	0 (0%)	0 (0%)	9 (32%)	15 (54%)	4 (14%)	147.7
96%	0 (0%)	0 (0%)	0 (0%)	4 (40%)	6 (60%)	75.4
88%	0 (0%)	1 (3%)	3 (9%)	19 (53%)	10 (30%)	329.9
95%	0 (0%)	1 (3%)	4 (13%)	11 (34%)	16 (50%)	430.5
66%	0 (0%)	1 (14%)	3 (43%)	3 (43%)	0 (0%)	436.0
78%	0 (0%)	0 (0%)	1 (50%)	1 (50%)	0 (0%)	41.7
73%	0 (0%)	1 (7%)	8 (53%)	3 (20%)	3 (20%)	154.7
68%	0 (0%)	4 (11%)	22 (58%)	12 (32%)	0 (0%)	381.6
82%	0 (0%)	1 (4%)	9 (36%)	10 (40%)	5 (20%)	113.4
87%	0 (0%)	0 (0%)	5 (19%)	15 (56%)	7 (26%)	585.2
66%	0 (0%)	0 (0%)	2 (50%)	1 (25%)	1 (25%)	109.7
97%	0 (0%)	0 (0%)	3 (18%)	4 (24%)	10 (59%)	211.5
69%	0 (0%)	2 (10%)	10 (48%)	9 (43%)	0 (0%)	1,158.4
91%	0 (0%)	0 (0%)	1 (9%)	10 (91%)	0 (0%)	802.1
91%	0 (0%)	0 (0%)	0 (0%)	8 (62%)	5 (38%)	176.3
96%	0 (0%)	0 (0%)	0 (0%)	2 (50%)	2 (50%)	36.7
93%	0 (0%)	0 (0%)	1 (11%)	3 (33%)	5 (56%)	729.3
71%	0 (0%)	2 (5%)	13 (30%)	22 (50%)	7 (16%)	150.5
97%	0 (0%)	0 (0%)	0 (0%)	1 (33%)	2 (67%)	94.0
93%	0 (0%)	0 (0%)	2 (40%)	2 (40%)	1 (20%)	58.4
83%	0 (0%)	0 (0%)	4 (50%)	3 (38%)	1 (13%)	57.3
96%	0 (0%)	0 (0%)	1 (2%)	8 (22%)	27 (75%)	\$ 104.6
92%	0 (0%)	0 (0%)	3 (13%)	10 (43%)	10 (43%)	135.1
83%	0 (0%)	1 (2%)	7 (20%)	15 (42%)	12 (34%)	181.7
96%	0 (0%)	0 (0%)	9 (20%)	13 (28%)	23 (51%)	827.5
94%	0 (0%)	1 (0%)	20 (14%)	46 (33%)	72 (51%)	\$ 363.1

Plan assets as a percent of total past service liabilities for Fortune-ranked companies was 69 per cent in 1979

11. Plan Assets as a Percent of Total Past Service Liabilities, 1979

The same good news that was illustrated in Exhibit 10 is prevalent here, too: That even taking into consideration total past service liabilities (vested and non-vested), the universe of companies in this report is remarkably well funded. Plan assets as a percent of total past service liabilities for 285 Fortune-ranked companies was a high 69 per cent in 1979. This ratio, too, is up from the 64 per cent level calculated in last year's survey for 268 companies. As noted previously, these liabilities can be amortized over 30 years (40 years for pre-ERISA liabilities).

In 1979, 6 per cent of the Industrials fully funded their past service liabilities, while another 74 per cent were more than halfway funded. Of the 27 industry groups, none was funded less than 50 per cent for their past service liabilities — including the four industries which were 60-69 per cent funded for their vested liabilities (realizing, though, that the sample here is smaller than for the previous Exhibit). Notwithstanding the furniture group (one company, 94 per cent funded), pharmaceuticals had the best total past service liabilities to plan assets ratio, at 89 per cent (five companies). Both the beverage and office equipment manufacturers also topped the 80 per cent level, at 83 per cent and 81 per cent, respectively.

Again, the 102 Non-Industrial companies in this Exhibit inched higher than the Industrial group, with 72 per cent of their total past service liabilities funded by plan assets. Retailers were low, with plan assets equalling 56 per cent of total past service liabilities, and commercial banks were high (76 per cent). Forty-five per cent of Non-Industrials were at least 75 per cent funded for past service benefits, and 6 per cent were fully funded. Only 11 per cent were less than halfway funded.

The 387 Industrial and Non-Industrial companies in this Exhibit reported plan assets of \$84.6 billion. This was enough to fund 70.2 per cent of their total past service liabilities.

**Plan Assets as a Percent
of Total Past Service Liabilities, 1979**

Fortune 500 Companies

Average: 69%

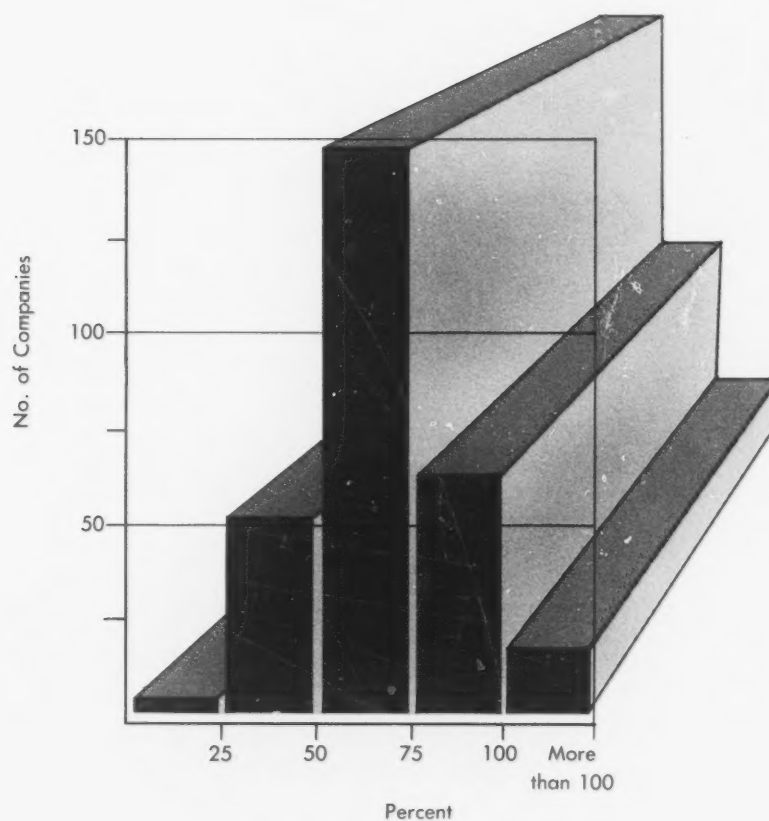


EXHIBIT 11 Plan Assets (PA) as a Percent of Total Past Service Liabilities (TPSL), 1979

	Number of Companies	Total Plan Assets (in millions)	Total UPSL (in millions)	TPSL (PA + UPSL) (in millions)
BY FORTUNE 500 INDUSTRIAL GROUP				
Fortune 1-100	53	\$48,631.9	\$18,593.0	\$67,224.9
Fortune 101-200	57	9,950.0	5,675.8	15,625.8
Fortune 201-300	55	5,245.2	2,394.6	7,639.8
Fortune 301-400	57	2,830.0	1,860.3	4,690.3
Fortune 401-500	63	2,145.0	1,411.0	3,556.0
Total	285	\$68,802.1	\$29,934.7	\$98,736.8
BY INDUSTRY GROUP				
Mining, crude oil production	10	\$ 1,168.4	\$ 764.7	\$ 1,933.1
Food	25	3,624.6	1,718.7	5,343.3
Tobacco	1	481.3	309.0	790.3
Textiles, vinyl flooring	9	596.8	216.4	813.2
Apparel	7	279.4	173.2	452.6
Furniture	1	48.9	3.1	52.0
Paper, fiber and wood products	24	3,678.5	2,029.2	5,707.7
Publishing, printing	5	349.6	114.9	464.5
Chemicals	20	7,991.2	3,480.7	11,471.9
Petroleum refining	23	7,634.4	2,214.0	9,848.4
Rubber, plastic products	5	1,665.8	1,121.0	2,786.8
Leather	1	9.2	7.8	17.0
Glass, concrete, abrasives, gypsum	9	1,336.4	860.4	2,196.8
Metal manufacturing	23	9,326.5	6,289.5	15,616.0
Metal products	20	2,430.8	1,791.4	4,222.2
Electronics, appliances	19	9,958.4	2,775.9	12,734.3
Shipbuilding, railrd., trans. equip.	2	104.1	72.1	176.2
Measuring, scient., photo equip.	12	2,749.5	824.2	3,573.7
Motor vehicles	9	920.9	849.3	1,770.2
Aerospace	6	4,373.3	1,342.8	5,716.1
Pharmaceuticals	5	823.6	96.2	919.8
Soaps, cosmetics	3	437.0	163.7	600.7
Office equipment (incl. computers)	6	5,183.8	1,200.2	6,384.0
Industrial & farm equipment	25	2,777.9	1,285.5	4,063.4
Musical instr., toys, sporting goods	3	281.9	80.6	362.5
Broadcasting, motion picture prod., distr.	3	66.8	52.1	118.9
Beverages	9	503.1	98.1	601.2
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP				
Commercial banking	28	\$ 2,238.7	\$ 695.6	\$ 2,934.3
Retailing	17	1,856.6	1,420.1	3,276.7
Transportation	23	4,358.6	1,438.9	5,797.5
Utilities	34	7,306.7	2,352.3	9,659.0
Total	102	\$15,760.6	\$ 5,906.9	\$21,667.5

Number of Companies (Percent of Sample)

PA as a Percent of TPSL (Average)	PA = 1-24.9% TPSL	PA = 25-49.9% TPSL	PA = 50-74.9% TPSL	PA = 75-99.9% TPSL	PA = 100% TPSL
72%	0 (0%)	5 (9%)	27 (51%)	17 (32%)	4 (8%)
63%	1 (2%)	8 (14%)	32 (56%)	13 (23%)	3 (5%)
68%	0 (0%)	8 (15%)	28 (51%)	14 (25%)	5 (9%)
60%	1 (2%)	16 (28%)	29 (51%)	8 (14%)	3 (5%)
60%	2 (3%)	14 (22%)	33 (52%)	12 (19%)	2 (3%)
69%	4 (1%)	51 (18%)	149 (52%)	64 (22%)	17 (6%)
60%	0 (0%)	2 (20%)	5 (50%)	2 (20%)	1 (10%)
67%	0 (0%)	4 (16%)	15 (60%)	4 (16%)	2 (8%)
60%	0 (0%)	0 (0%)	1 (100%)	0 (0%)	0 (0%)
73%	0 (0%)	2 (22%)	3 (33%)	3 (33%)	1 (11%)
61%	0 (0%)	2 (29%)	4 (57%)	1 (14%)	0 (0%)
94%	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)
64%	0 (0%)	1 (4%)	19 (79%)	4 (17%)	0 (0%)
75%	0 (0%)	0 (0%)	2 (40%)	2 (40%)	1 (20%)
69%	0 (0%)	1 (5%)	13 (65%)	4 (20%)	2 (10%)
77%	0 (0%)	4 (17%)	9 (39%)	9 (39%)	1 (4%)
59%	0 (0%)	1 (20%)	4 (80%)	0 (0%)	0 (0%)
54%	0 (0%)	0 (0%)	1 (100%)	0 (0%)	0 (0%)
60%	1 (11%)	2 (22%)	5 (56%)	1 (11%)	0 (0%)
50%	1 (4%)	11 (48%)	9 (39%)	2 (9%)	5 (20%)
57%	0 (0%)	5 (25%)	13 (65%)	2 (10%)	0 (0%)
78%	1 (5%)	3 (16%)	5 (26%)	8 (42%)	2 (11%)
59%	0 (0%)	0 (0%)	1 (50%)	0 (0%)	1 (50%)
76%	0 (0%)	2 (17%)	4 (33%)	5 (42%)	1 (8%)
52%	0 (0%)	3 (33%)	5 (56%)	1 (11%)	0 (0%)
76%	0 (0%)	0 (0%)	3 (50%)	2 (33%)	1 (17%)
89%	0 (0%)	0 (0%)	1 (20%)	3 (60%)	1 (20%)
72%	0 (0%)	0 (0%)	2 (67%)	1 (33%)	0 (0%)
81%	0 (0%)	1 (17%)	3 (50%)	2 (33%)	0 (0%)
68%	1 (4%)	6 (24%)	14 (56%)	4 (16%)	0 (0%)
77%	0 (0%)	0 (0%)	2 (67%)	1 (33%)	0 (0%)
56%	0 (0%)	0 (0%)	2 (67%)	0 (0%)	1 (33%)
83%	0 (0%)	1 (11%)	4 (44%)	2 (22%)	2 (22%)
76%	0 (0%)	0 (0%)	12 (43%)	12 (43%)	4 (14%)
56%	0 (0%)	5 (29%)	8 (47%)	3 (18%)	1 (6%)
75%	0 (0%)	2 (9%)	6 (26%)	14 (61%)	1 (4%)
75%	0 (0%)	4 (12%)	13 (38%)	17 (50%)	0 (0%)
72%	0 (0%)	11 (11%)	39 (38%)	46 (45%)	6 (6%)

Unfunded vested liabilities for Industrials equalled 19.3 per cent of pretax profits in 1979

12. Unfunded Vested Liabilities as a Percent of Pretax Profits, 1979 and 1978

The graph at right and Exhibit 12 on page 50 combine the statistics in Exhibits 8 and 3 of this survey to find out what would happen if unfunded vested benefits had to be immediately funded — not that it's likely to happen. But if it were, then the 435 Industrial companies surveyed here would have been able to pay all their vested benefits with a little less than ten weeks of 1979's pretax profits. Even as a theoretical exercise that figure is heartening. The fact that pretax profits were up 20.8 per cent (Exhibit 3, page 14) didn't hurt. Unfunded vested liabilities for these firms equalled 19.3 per cent of pretax profits in 1979, down slightly from 22.8 per cent in 1978. (This Exhibit, and the one that follows, does not include those companies that experienced a pretax loss, but does include those with no unfunded vested liabilities.)

Twenty-eight per cent of the Fortune Industrials had no unfunded vested liabilities; 36 per cent would require less than three months of profits to cover their unfunded vested benefits. Only 14 per cent would require more than one-half of a year, and 6 per cent had unfunded vested liabilities which were greater than their 1979 pretax profits.

Nine industry groups could have covered unfunded vested liabilities with less than one month's profits (excluding the furniture industry, whose company's plan had no unfunded vested benefits). Six additional industry groups could have written off unfunded vested liabilities with less than two months' of pretax profits. Lowest among all these groups were the soaps, cosmetics industry (unfunded vested liabilities equal to 1.2 per cent of pretax profits, based on profits that went up 5.8 per cent in 1979) and measuring, scientific and photo equipment (1.5 per cent, based on a 9.3 per cent rise in pretax profits). Other industries which saw a large increase in pretax profits in 1979 also experienced a favorable unfunded vested liabilities to profits ratio. They were petroleum refining (1.3 per cent, profits up 53.4 per cent) and mining, crude oil production (2.4 per cent, profits up 89.9 per cent).

Not surprisingly, the industries with the most dramatic changes in the unfunded vested liabilities to profits ratio in 1979 were those which saw an equally dramatic change in pretax profits. For instance, the motor vehicle industry, whose unfunded vested liabilities leapt to 78.3 per cent of pretax profits in 1979 experienced a 20.4 per cent decrease in those profits for that year. A decrease in unfunded vested liabilities to 23.2 per cent of pretax profits in 1979 for the aerospace group reflected a 29.8 per cent gain in pretax profits.

Of the thirteen industry groups which reported figures for both 1979 and 1978, eight had a decrease in unfunded vested liabilities as a percent of pretax profits, four an increase, and one had no change.

Less than one month of 1979's pretax profits is all the Non-Industrials would have to come up with to pay their unfunded vested liabilities. On average, the 150 companies here would require 6.4 per cent of pretax profits. Fifty-three per cent had no unfunded vested liabilities in 1979, and another 34 per cent would need less than three months' profits. In fact, three of the Non-Industrial groups could have written off their unfunded vested liabilities within one month of 1979. Only transportation companies would have needed more time; their unfunded vested liabilities matched 26.1 per cent of their 1979 pretax profits. All three of the companies in the transportation group which would have needed at least one year (100-300 per cent) of pretax profits to cover unfunded vested liabilities were airline concerns.

Unfunded Vested Liabilities as a Percent of Pretax Profits, 1979 and 1978

Fortune 500 Companies

1979 Average: 19.3%

1978 Average: 22.8%

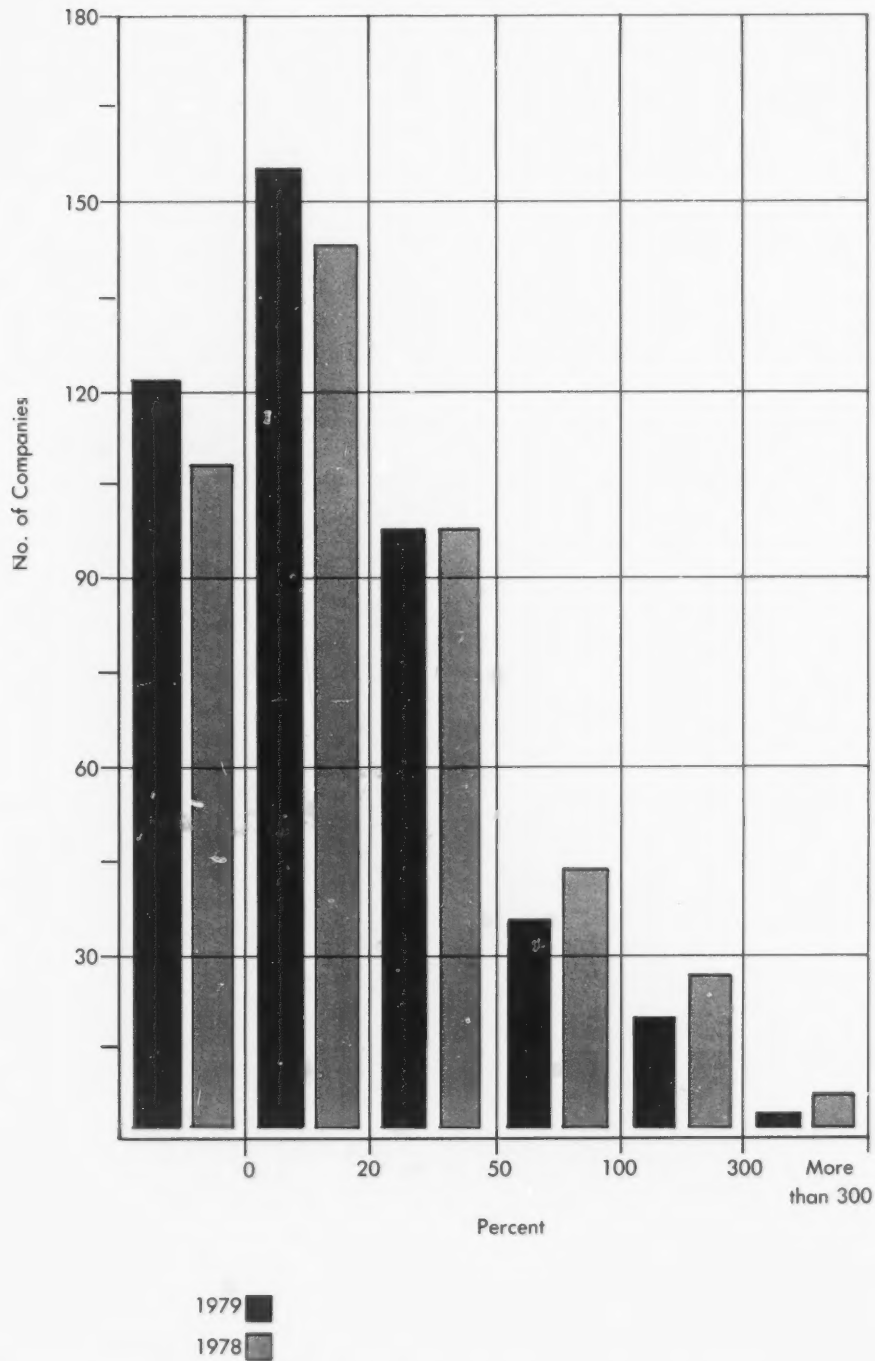


EXHIBIT 12 Unfunded Vested Liabilities (UVL) as a Percent of Pretax Profits, 1979 and 1978

	Number of Companies		UVL (\$ Millions)		Pretax Profits (\$ Millions)		UVL as a Percent of Pretax Profits (Average)	
	1979	1978	1979	1978	1979	1978	1979	1978
BY FORTUNE 500 INDUSTRIAL GROUP								
Fortune 1-100	89	88	\$21,311.1	\$19,618.5	\$109,984.9	\$ 88,966.7	19.4%	22.1%
Fortune 101-200	91	93	4,748.5	5,226.8	23,724.5	19,990.2	20.0%	26.2%
Fortune 201-300	84	80	2,245.8	2,234.9	11,501.8	9,158.0	19.5%	24.4%
Fortune 301-400	84	84	1,216.4	1,266.6	6,902.4	5,749.2	17.6%	22.0%
Fortune 401-500	87	84	652.8	778.6	4,431.5	3,853.4	14.7%	20.2%
Total	435	429	\$30,174.6	\$29,125.4	\$156,545.1	\$127,717.5	19.3%	22.8%
BY INDUSTRY GROUP								
Mining, crude oil production	11	11	\$ 133.9	\$ 135.3	\$ 5,599.4	\$ 2,923.9	2.4%	4.6%
Food	47	45	1,032.8	821.0	6,781.4	5,904.6	15.2%	13.9%
Tobacco	3	2	237.9	214.4	1,824.1	1,385.4	13.0%	15.5%
Textiles, vinyl flooring	10	11	101.0	87.3	723.9	728.5	14.0%	12.0%
Apparel	6	7	64.1	63.3	393.9	386.5	16.3%	16.4%
Furniture		1	0	0	15.9	25.3	0%	0%
Paper, fiber & wood products	28	28	1,037.3	1,145.9	5,841.7	4,870.7	17.8%	23.5%
Publishing, printing	11	10	37.8	42.5	1,481.7	1,218.1	2.6%	3.5%
Chemicals	34	32	1,539.7	1,343.1	9,660.8	7,859.2	15.9%	17.1%
Petroleum refining	34	33	664.0	729.1	52,057.2	33,930.5	1.3%	2.2%
Rubber, plastic products	6	6	1,031.7	1,224.1	1,347.7	1,269.4	76.6%	96.4%
Leather	2	1	23.9	19.0	126.7	75.5	18.9%	25.2%
Glass, concrete, abrasives, gypsum	14	15	818.8	831.5	1,850.9	1,893.8	44.2%	43.9%
Metal manufacturing	37	38	5,617.1	6,957.2	7,641.7	6,299.4	73.5%	110.4%
Metal products	26	25	794.1	780.8	3,392.0	2,819.3	23.4%	27.7%
Electronics, appliances	27	28	2,384.0	2,192.7	10,449.7	9,712.4	22.8%	22.6%
Shipbuilding, railrd., trans. equip.	4	4	229.0	172.5	570.6	473.4	40.1%	36.4%
Measuring, scient., photo equip.	17	16	94.1	88.1	6,191.1	5,320.8	1.5%	1.7%
Motor vehicles	20	20	9,938.6	7,099.3	12,685.8	14,903.5	78.3%	47.6%
Aerospace	11	11	881.7	1,144.1	3,805.3	2,924.9	23.2%	39.1%
Pharmaceuticals	13	13	215.2	213.8	4,513.5	4,130.1	4.8%	5.2%
Soaps, cosmetics	4	4	6.6	2.2	562.4	845.2	1.2%	.3%
Office equipment (incl. computers)	10	9	501.4	993.2	9,141.1	8,836.4	5.5%	11.2%
Industrial & farm equipment	43	43	2,668.0	2,713.7	7,589.1	6,830.1	35.2%	39.7%
Musical instr., toys, sporting goods	3	3	7.6	10.4	204.4	207.1	3.7%	5.0%
Broadcasting, motion picture prod., distr.	5	5	20.3	7.2	973.5	951.7	2.1%	.8%
Beverages	8	8	94.0	93.7	1,119.6	991.8	8.4%	9.5%
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP								
Commercial banking	45	42	\$ 147.3	\$ 174.4	\$ 7,597.5	\$ 6,510.6	1.9%	2.7%
Retailing	27	26	277.6	435.6	5,197.4	5,282.8	5.3%	8.3%
Transportation	33	34	977.2	1,085.5	3,741.1	3,810.7	26.1%	28.5%
Utilities	45	45	1,273.0	1,446.9	25,148.8	23,884.9	5.1%	6.1%
Total	150	147	\$ 2,675.1	\$ 3,142.4	\$ 41,684.8	\$ 39,489.0	6.4%	8.0%

Number of Companies (Percent of Sample)

UVL = 0		UVL = .1-20% of Pretax Profits		UVL = 21-50% of Pretax Profits		UVL = 51-100% of Pretax Profits		UVL = 101-300% of Pretax Profits		UVL = at least 300% of Pretax Profits	
1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
26 (29%)	24 (27%)	26 (29%)	25 (28%)	20 (22%)	20 (23%)	8 (9%)	8 (9%)	9 (10%)	10 (11%)	0 (0%)	1 (1%)
19 (21%)	19 (20%)	37 (41%)	34 (37%)	24 (26%)	27 (29%)	7 (8%)	9 (10%)	4 (4%)	3 (3%)	0 (0%)	1 (1%)
23 (27%)	23 (29%)	32 (38%)	24 (30%)	17 (20%)	14 (18%)	9 (11%)	12 (15%)	2 (2%)	5 (6%)	1 (1%)	2 (3%)
27 (32%)	23 (27%)	32 (38%)	32 (38%)	12 (14%)	16 (19%)	8 (10%)	8 (10%)	4 (5%)	5 (6%)	1 (1%)	0 (0%)
26 (30%)	20 (24%)	30 (34%)	30 (36%)	24 (28%)	20 (24%)	4 (5%)	7 (8%)	2 (2%)	5 (6%)	1 (1%)	2 (2%)
21 (28%)	109 (25%)	157 (36%)	145 (34%)	97 (22%)	97 (23%)	36 (8%)	44 (10%)	21 (5%)	28 (7%)	3 (1%)	6 (1%)
6 (55%)	6 (55%)	3 (27%)	3 (27%)	1 (9%)	1 (9%)	1 (9%)	0 (0%)	0 (0%)	1 (9%)	0 (0%)	0 (0%)
18 (38%)	16 (36%)	16 (34%)	15 (33%)	8 (17%)	8 (18%)	4 (9%)	4 (9%)	1 (2%)	2 (4%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	2 (67%)	1 (50%)	1 (33%)	1 (50%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
4 (40%)	5 (45%)	4 (40%)	4 (36%)	1 (10%)	1 (9%)	1 (10%)	1 (9%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
4 (67%)	4 (57%)	1 (17%)	2 (29%)	1 (17%)	1 (14%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (100%)	1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
4 (14%)	4 (14%)	11 (39%)	9 (32%)	11 (39%)	11 (39%)	2 (7%)	4 (14%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
6 (55%)	4 (40%)	4 (36%)	6 (60%)	1 (9%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
10 (29%)	9 (28%)	13 (38%)	11 (34%)	10 (29%)	9 (28%)	1 (3%)	3 (9%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
18 (53%)	17 (52%)	15 (44%)	16 (48%)	1 (3%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	1 (17%)	2 (33%)	1 (17%)	1 (17%)	1 (17%)	2 (33%)	3 (50%)	0 (0%)	0 (0%)	1 (17%)
0 (0%)	0 (0%)	1 (50%)	0 (0%)	1 (50%)	1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
3 (21%)	3 (20%)	1 (7%)	2 (13%)	4 (29%)	4 (27%)	3 (21%)	2 (13%)	3 (21%)	3 (20%)	0 (0%)	1 (7%)
0 (0%)	1 (3%)	12 (32%)	7 (18%)	9 (24%)	7 (18%)	8 (22%)	6 (16%)	6 (16%)	14 (37%)	2 (5%)	3 (8%)
5 (19%)	3 (12%)	8 (31%)	7 (28%)	11 (42%)	8 (32%)	2 (8%)	7 (28%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
7 (26%)	6 (21%)	11 (41%)	12 (43%)	7 (26%)	7 (25%)	1 (4%)	2 (7%)	1 (4%)	1 (4%)	0 (0%)	0 (0%)
1 (25%)	1 (25%)	1 (25%)	1 (25%)	0 (0%)	0 (0%)	2 (50%)	2 (50%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
10 (59%)	9 (56%)	3 (18%)	3 (19%)	4 (24%)	4 (25%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	2 (10%)	2 (10%)	9 (45%)	11 (55%)	5 (25%)	4 (20%)	3 (15%)	2 (10%)	1 (5%)	1 (5%)
0 (0%)	0 (0%)	7 (64%)	4 (36%)	2 (18%)	3 (27%)	1 (9%)	3 (27%)	1 (9%)	1 (9%)	0 (0%)	0 (0%)
5 (38%)	5 (38%)	8 (62%)	8 (62%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
2 (50%)	3 (75%)	2 (50%)	1 (25%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
6 (60%)	3 (33%)	3 (30%)	3 (33%)	1 (10%)	3 (33%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
7 (16%)	5 (12%)	19 (44%)	17 (40%)	11 (26%)	14 (33%)	3 (7%)	3 (7%)	3 (7%)	4 (9%)	0 (0%)	0 (0%)
2 (67%)	2 (67%)	1 (33%)	1 (33%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (20%)	1 (20%)	4 (80%)	4 (80%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (13%)	1 (13%)	4 (50%)	4 (50%)	2 (25%)	2 (25%)	1 (13%)	1 (13%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
34 (76%)	28 (67%)	10 (22%)	13 (31%)	0 (0%)	0 (0%)	1 (2%)	1 (2%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
11 (41%)	9 (35%)	12 (44%)	13 (50%)	4 (15%)	4 (15%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
12 (36%)	12 (35%)	14 (42%)	14 (41%)	4 (12%)	2 (6%)	0 (0%)	3 (9%)	3 (9%)	3 (9%)	0 (0%)	0 (0%)
23 (51%)	22 (49%)	15 (33%)	17 (38%)	6 (13%)	3 (7%)	1 (2%)	3 (7%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
80 (53%)	71 (48%)	51 (34%)	57 (39%)	14 (9%)	9 (6%)	2 (1%)	7 (5%)	3 (2%)	3 (2%)	0 (0%)	0 (0%)

Less than four months of 1979 pretax profits would eliminate the unfunded past service liabilities for Industrial firms

13. Unfunded Past Service Liabilities as a Percent of Pretax Profits, 1979 and 1978

A little less than four months of 1979 pretax profits would be all that is required to eliminate the unfunded past service liabilities for the 285 Fortune-ranked Industrial companies in Exhibit 13, page 54. Unfunded past service liabilities average 33.1 per cent of pretax profits for these corporations. Only 6 per cent have no unfunded past service liabilities, and 31 per cent could cover them with less than three months of pretax profits.

Three industry groups would require at least one year of pretax profits in 1979 to cover their unfunded past service liabilities. They are rubber, plastic products (118.5 per cent of profits necessary), metal manufacturing (100.3 per cent) and aerospace (100 per cent). The motor vehicle group remained high, at 82.1 per cent — but it is quite a drop, still, from the aerospace companies. Pharmaceuticals remained low, with only 5.2 per cent of profits required to eliminate unfunded past service liabilities. The beverage group similarly could pay off this liability with less than one month of pretax profits (6.3 per cent).

Of the twelve industries which reported figures for both 1979 and 1978, seven had a decrease in unfunded past service liabilities as a per cent of pretax profits, and five an increase.

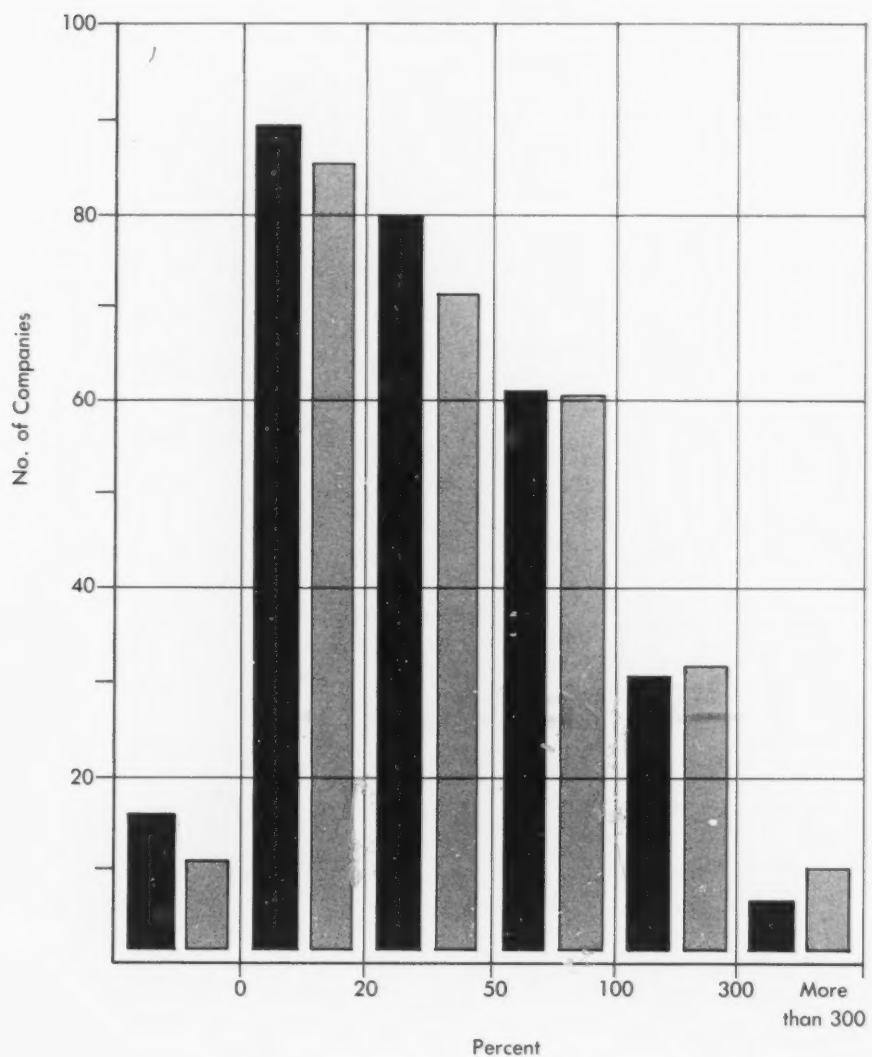
Less than 30 per cent of 1979 pretax profits is all the 109 Non-Industrial companies would have required to pay off their unfunded past service liabilities: 42 per cent could pay it off within three months or less. The transportation companies again would need more time than the other Non-Industrial groups — 63.6 per cent, or roughly seven and one-half months of profits. Commercial banks could do it in less than two months — their unfunded past service liabilities were only 16.2 per cent of pretax profits.

Unfunded Past Service Liabilities as a Percent of Pretax Profits, 1979 and 1978

Fortune 500 Companies

1979 Average: 33.1%

1978 Average: 39.1%



1979 ■

1978 ■

EXHIBIT 13 Unfunded Past Service Liabilities (UPSL) as a Percent of Pretax Profits, 1979 and 1978

	Number of Companies		UPSL (\$ Millions)		Pretax Profits (\$ Millions)		UPSL as a Percent of Pretax Profits (Average)	
	1979	1978	1979	1978	1979	1978	1979	1978
BY FORTUNE 500 INDUSTRIAL GROUP								
Fortune 1-100	52	50	\$17,091.5	\$17,467.6	\$54,777.0	\$45,828.3	31.2%	38.1%
Fortune 101-200	56	56	5,563.8	5,282.9	15,094.9	12,357.2	36.9%	42.8%
Fortune 201-300	56	51	2,418.9	1,857.4	7,592.8	5,727.8	31.9%	32.4%
Fortune 301-400	57	52	1,852.6	1,631.5	4,488.7	3,664.0	41.3%	44.5%
Fortune 401-500	64	63	1,335.4	1,294.3	3,375.1	2,815.6	39.6%	46.0%
Total	285	272	\$28,262.2	\$27,533.7	\$85,328.5	\$70,392.9	33.1%	39.1%
BY INDUSTRY GROUP								
Mining, crude oil production	10	9	\$ 764.7	\$ 629.4	\$ 5,233.9	\$ 1,831.6	14.6%	34.4%
Food	26	27	1,723.9	1,494.3	3,700.6	3,321.7	46.6%	45.0%
Tobacco	1	1	309.0	193.0	1,092.2	912.3	28.3%	21.2%
Textiles, vinyl flooring	8	7	203.5	177.0	551.1	428.4	36.9%	41.3%
Apparel	6	7	166.1	159.3	827.7	679.2	20.1%	23.5%
Furniture	1	1	3.1	4.5	15.9	25.3	19.5%	17.8%
Paper, fiber, & wood products	24	23	2,029.2	1,680.1	5,296.0	4,239.2	38.3%	39.6%
Publishing, printing	6	4	122.3	83.4	851.5	620.1	14.4%	13.5%
Chemicals	21	20	3,487.8	3,158.5	5,975.6	5,103.5	58.4%	61.9%
Petroleum refining	23	22	2,214.0	2,829.2	23,214.4	19,605.6	9.5%	14.4%
Rubber, plastic products	5	4	1,121.0	485.9	946.2	648.0	118.5%	75.0%
Leather	1	0	7.8	.0	38.7	.0	20.2%	.0%
Glass, concrete, abrasive, gypsum	8	7	825.4	593.7	1,076.7	867.0	76.7%	68.5%
Metal manufacturing	22	22	4,378.8	6,107.0	4,367.8	3,686.2	100.3%	165.7%
Metal products	21	18	2,224.9	1,659.3	2,720.6	2,024.6	81.8%	82.0%
Electronics, appliances	19	19	2,681.3	2,371.0	6,631.3	5,800.3	40.4%	40.9%
Shipbuilding, railrd., trans. equip.	2	2	72.1	56.6	182.1	146.5	39.6%	38.6%
Measuring, scient., photo equip.	12	13	824.2	814.9	3,294.1	2,919.5	25.0%	27.9%
Motor vehicles	9	9	849.3	887.1	1,034.1	943.0	82.1%	94.1%
Aerospace	6	5	1,342.8	993.7	1,342.3	506.7	100.0%	196.1%
Pharmaceuticals	5	5	96.2	71.2	1,863.8	1,597.5	5.2%	4.5%
Soaps, cosmetics	3	3	163.7	178.2	922.6	909.1	17.7%	19.6%
Office equipment (incl. computers)	7	7	1,201.8	1,509.5	7,833.1	8,235.1	15.3%	18.3%
Industrial & farm equipment	24	22	1,218.5	1,184.1	3,962.2	3,173.8	30.8%	37.3%
Musical instr., toys, sporting goods	3	3	80.6	100.8	204.4	207.1	39.4%	48.7%
Broadcasting, motion picture prod., distr.	3	3	52.1	19.1	602.1	582.1	8.7%	3.3%
Beverages	9	9	98.1	92.9	1,547.5	1,379.5	6.3%	6.7%
BY FORTUNE 50 LARGEST NON-INDUSTRIAL GROUP								
Commercial banking	35	34	\$ 767.7	\$ 713.3	\$ 4,752.5	\$ 4,129.5	16.2%	17.3%
Retailing	19	18	1,486.9	1,412.8	3,636.2	3,733.8	40.9%	37.8%
Transportation	21	22	1,301.0	1,307.0	2,046.1	1,976.4	63.6%	66.1%
Utilities	34	32	2,352.3	2,168.9	9,991.3	8,714.2	23.5%	24.9%
Total	109	106	\$ 5,907.9	\$ 5,602.0	\$20,426.1	\$18,553.9	28.9%	30.2%

Number of Companies (Percent of Sample)

UPSL = 0		UPSL = .1-20% of Pretax Profits		UPSL = 21-50% of Pretax Profits		UPSL = 51-100% of Pretax Profits		UPSL = 101-300% of Pretax Profits		UPSL = at least 300% of Pretax Profits	
1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
4 (8%)	2 (4%)	18 (35%)	15 (30%)	12 (23%)	15 (30%)	9 (17%)	5 (10%)	7 (13%)	9 (18%)	2 (4%)	4 (8%)
3 (5%)	2 (4%)	15 (27%)	15 (27%)	21 (38%)	16 (29%)	13 (23%)	17 (30%)	4 (7%)	5 (9%)	0 (0%)	1 (2%)
5 (9%)	5 (10%)	19 (34%)	19 (37%)	16 (29%)	10 (20%)	11 (20%)	12 (24%)	4 (7%)	3 (6%)	1 (2%)	2 (4%)
3 (5%)	2 (4%)	18 (32%)	15 (29%)	12 (21%)	14 (27%)	14 (25%)	13 (25%)	9 (16%)	7 (13%)	1 (2%)	1 (2%)
2 (3%)	1 (2%)	19 (30%)	21 (33%)	19 (30%)	17 (27%)	15 (23%)	14 (22%)	7 (11%)	8 (13%)	2 (3%)	2 (3%)
17 (6%)	12 (4%)	89 (31%)	85 (31%)	80 (28%)	72 (26%)	62 (22%)	61 (22%)	31 (11%)	32 (12%)	6 (2%)	10 (4%)
1 (10%)	1 (11%)	5 (50%)	3 (33%)	2 (20%)	2 (22%)	1 (10%)	2 (22%)	1 (10%)	1 (11%)	0 (0%)	0 (0%)
2 (8%)	2 (7%)	4 (15%)	7 (26%)	13 (50%)	9 (33%)	5 (19%)	5 (19%)	2 (8%)	3 (11%)	0 (0%)	1 (4%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (13%)	0 (0%)	2 (25%)	2 (29%)	2 (25%)	2 (29%)	2 (25%)	2 (29%)	1 (13%)	1 (14%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	3 (50%)	3 (43%)	1 (17%)	1 (14%)	2 (33%)	3 (43%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	1 (100%)	1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	6 (25%)	5 (22%)	9 (38%)	9 (39%)	9 (38%)	8 (35%)	0 (0%)	1 (4%)	0 (0%)	0 (0%)
1 (17%)	0 (0%)	3 (50%)	3 (75%)	2 (33%)	1 (25%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
2 (10%)	1 (5%)	6 (29%)	6 (30%)	4 (19%)	4 (20%)	7 (33%)	5 (25%)	2 (10%)	3 (15%)	0 (0%)	1 (5%)
1 (4%)	1 (5%)	18 (78%)	14 (64%)	2 (9%)	5 (23%)	1 (4%)	2 (9%)	1 (4%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (20%)	1 (25%)	1 (20%)	2 (50%)	3 (60%)	1 (25%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	1 (13%)	1 (14%)	1 (13%)	2 (29%)	3 (38%)	2 (29%)	3 (38%)	2 (29%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	3 (14%)	2 (9%)	6 (27%)	4 (18%)	4 (18%)	2 (9%)	6 (27%)	8 (36%)	3 (14%)	6 (27%)
0 (0%)	0 (0%)	3 (14%)	3 (17%)	5 (24%)	3 (17%)	10 (48%)	8 (44%)	3 (14%)	4 (22%)	0 (0%)	0 (0%)
2 (11%)	1 (5%)	4 (21%)	5 (26%)	6 (32%)	7 (37%)	5 (26%)	5 (26%)	2 (11%)	1 (5%)	0 (0%)	0 (0%)
1 (50%)	1 (50%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (50%)	1 (50%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (8%)	1 (8%)	3 (25%)	4 (31%)	8 (67%)	6 (46%)	0 (0%)	2 (15%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	1 (11%)	1 (11%)	0 (0%)	1 (11%)	4 (44%)	4 (44%)	3 (33%)	2 (22%)	1 (11%)	1 (11%)
1 (17%)	1 (20%)	1 (17%)	1 (20%)	2 (33%)	1 (20%)	1 (17%)	0 (0%)	0 (0%)	1 (20%)	1 (17%)	1 (20%)
1 (20%)	0 (0%)	4 (80%)	5 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	2 (67%)	2 (67%)	1 (33%)	1 (33%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	3 (43%)	3 (43%)	3 (43%)	2 (29%)	0 (0%)	2 (29%)	1 (14%)	0 (0%)	0 (0%)	0 (0%)
0 (0%)	0 (0%)	7 (29%)	8 (36%)	10 (42%)	7 (32%)	5 (21%)	5 (23%)	1 (4%)	2 (9%)	1 (4%)	0 (0%)
0 (0%)	0 (0%)	2 (67%)	1 (33%)	0 (0%)	1 (33%)	0 (0%)	0 (0%)	1 (33%)	1 (33%)	0 (0%)	0 (0%)
1 (33%)	1 (33%)	2 (67%)	2 (67%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
2 (22%)	2 (22%)	5 (56%)	3 (33%)	0 (0%)	2 (22%)	1 (11%)	1 (11%)	1 (11%)	1 (11%)	0 (0%)	0 (0%)
5 (14%)	5 (15%)	13 (37%)	14 (41%)	15 (43%)	13 (38%)	2 (6%)	2 (6%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (5%)	0 (0%)	7 (37%)	8 (44%)	6 (32%)	8 (44%)	5 (26%)	2 (11%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
1 (5%)	1 (5%)	7 (33%)	8 (36%)	5 (24%)	4 (18%)	5 (24%)	6 (27%)	3 (14%)	2 (9%)	0 (0%)	1 (5%)
0 (0%)	0 (0%)	19 (56%)	20 (63%)	10 (29%)	8 (25%)	5 (15%)	4 (13%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
7 (6%)	6 (6%)	46 (42%)	50 (47%)	36 (33%)	33 (31%)	17 (16%)	14 (13%)	3 (3%)	2 (2%)	0 (0%)	1 (1%)

APPENDIX A

Miscellaneous Information

In addition to the pension plan data contained in Exhibits 2 through 13 of this report, the corporate annual reports to shareholders of the 650 companies included in the survey disclosed other information, relating to their various employee benefit programs, which is of interest.

The additional information — technical and not-so-technical — that was disclosed in the corporate annual reports included in this report is presented below.

Amortization Schedules. Of the 650 companies represented in the report, 504 disclosed their amortization schedules for past service liabilities in their Summaries of Significant Accounting Policies. They ranged from a high of up-to-40 years (for pre-ERISA liabilities other than multiemployer plans; post-ERISA liabilities must be amortized within 30 years under single-employer plans) to a low of five years.

Number of Years	Number of Companies	Number of Years	Number of Companies
30	206	10-40	14
Up to 40	83	15-40	13
20	34	15	10
30-40	28	20-40	9
10-30	23	25-30	6
10	21	15-30	6
25	19	20-30	5

The remaining 27 firms posted amortization schedules not listed above. They ranged within the 5-40 year schedules.

Actuarial Assumptions and Methods. Additional data on actuarial assumptions included:

- 47 companies changed one or more of their assumptions; of these —
- 17 changed interest rate assumption
- 17 changed salary assumption
- 4 changed retirement age assumption
- 3 changed Social Security assumption
- 3 changed inflation assumption
- 3 changed turnover assumption
- 2 changed mortality assumption
- 2 changed benefit increase assumption

Regarding actuarial method, nine companies disclosed that this was changed. In addition, 28 companies disclosed that they use the entry age normal method, 30 use aggregate cost and seven use unit credit.

Plan Changes. Ninety companies amended their plans in order to improve benefits; 23 of these specifically stated that such increases were made to retirees.

Increases in Plan Cost. Many companies, especially those with dramatic increases, gave various reasons why their pension costs rose from 1978 to 1979. In addition to the effects of changes in actuarial assumptions or methods, other reasons most frequently cited were increases in plan contributions necessitated by the 1977 Amendments to the Social Security Act; higher payrolls; greater participation; actuarial losses; mergers and acquisitions; change in benefit formulas; corporate reorganization.

Profit Sharing Plans. One hundred and two companies disclosed information on separately maintained profit sharing and/or thrift plans, as well as their defined benefit pension plans. Total amounts contributed to profit sharing or thrift plans by these corporations were \$719 million in 1979.

ESOP/TRASOP. Ninety-seven companies disclosed their sponsorship of this type of capital-formation employee benefit plan. Total 1979 contributions to ESOPs/TRASOPs for 40 of those companies was \$118 million.

Other Pension Plan Information

- 12 companies applied FASB Standards No. 36, "Disclosure of Pension Information," to their 1979 pension plan footnote, even though such statement is effective for plan years beginning after December 15, 1979.
- 11 companies disclosed their number of plan beneficiaries
- 11 disclosed amounts paid to beneficiaries
 - 9 made a statement regarding status of plan liabilities in relation to PBGC guarantees
- 6 included a statement of changes in fund assets, or the fund's balance sheet
- 6 listed pension cost as an expense item on their Statements of Income
- 2 gave an address to which shareholders could write for a copy of their plans' Summary Annual Report, Summary Plan Description and/or other plan information
- 2 disclosed the investment distribution of their plans' assets

Other Information of Interest. Only sixteen companies stated that they will comply with the Administration's voluntary wage and price guidelines, as opposed to 89 in 1978.

APPENDIX B

Alphabetical List of Corporations Whose Annual Reports Were Surveyed

From the Fortune 500 Industrials

ACF Industries	Asarco
AM International	Ashland Oil
AMAX	Atlantic Richfield
AMF	Avery International
AMP	Avnet
A-T-O	Avon Products
Abbott Laboratories	Baker International
Acco Industries	Ball
Agway	Bangor Punta
Air Products & Chemicals	Barnes Group
Akzona	Bausch & Lomb
Allegheny Ludlum Industries	Beatrice Foods
Allied Chemical	Beckman Instruments
Allis-Chalmers	Becton, Dickinson
Alumax	Beech Aircraft
Aluminum Co. of America	Belco Petroleum
Amerada Hess	Bell & Howell
American Bakeries	Bemis
American Brands	Bendix
American Broadcasting	Bethlehem Steel
American Can	Big Three Industries
American Cyanamid	Black & Decker Manufacturing
American Hoist & Derrick	Blue Bell
American Home Products	Boeing
American Motors	Boise Cascade
American Petrofina	Borden
American Standard	Borg-Warner
Amstar	Briggs & Stratton
Amsted Industries	Bristol-Myers
Anchor Hocking	Brockway Glass
Anderson, Clayton	Brown Group
Anheuser-Busch	Brunswick
Arcata	Bucyrus-Erie
Archer-Daniels-Midland	Bunker Ramo
Armco	Burlington Industries
Armstrong Cork	Burroughs
Arvin Industries	Butler Manufacturing

CBI Industries
CBS
CPC International
Cabot
Cameron Iron Works
Campbell Soup
Campbell Taggart
Cannon Mills
Capital Cities Communications
Carnation
Carpenter Technology
Caterpillar Tractor
Ceco
Celanese
Central Soya
Certain-teed
Cessna Aircraft
Champion International
Champion Spark Plug
Charter
Chesebrough-Pond's
Chicago Pneumatic Tool
Chromalloy American
Chrysler
Cincinnati Milacron
Cities Service
Clark Equipment
Clark Oil & Refining
Cluett, Peabody
Coca-Cola
Coca-Cola Bottling Co. of N.Y.
Colgate-Palmolive
Collins & Aikman
Colt Industries
Columbia Pictures Industries
Combustion Engineering
Commonwealth Oil Refining
ConAgra
Cone Mills
Conoco
Consolidated Foods
Consolidated Papers

Continental Group
Control Data
Cooper Industries
Coors (Adolph)
Copperweld
Corning Glass Works
Crane
Crown Central Petroleum
Crown Cork & Seal
Crown Zellerbach
Cummins Engine
Cyclops
DPF
Dan River
Dana
Dart Industries
Data General
Dayco
Dean Foods
Deere
Dennison Manufacturing
Dexter
Diamond International
Diamond Shamrock
Digital Equipment
Donnelly (R.R.) & Sons
Dorsey
Dover
Dow Chemical
Dow Corning
Dow Jones
Dresser Industries
Du Pont (E.I.) de Nemours
EG&G
Eagle-Picher Industries
Eastman Kodak
Eaton
Economics Laboratory
Emerson Electric
Emhart
Envirotech
Esmark

Ethyl
Evans Products
Ex-Cell-O
Exxon
FMC
Fairchild Industries
Fairmont Foods
Farmland Industries
Federal Co.
Federal-Mogul
Federal Paper Board
Ferro
Fiat-Allis
Fieldcrest Mills
Firestone Tire & Rubber
Ford Motor
Foxboro
Frederick & Herrud
Freeport Minerals
Fruehauf
GAF
GK Technologies
Gannett
General Cinema
General Dynamics
General Electric
General Foods
General Host
General Instrument
General Mills
General Motors
General Refractories
General Signal
General Tire & Rubber
Georgia-Pacific
Gerber Products
Getty Oil
Gillette
Gold Kist
Goodrich (B.F.)
Goodyear Tire & Rubber
Gould

Grace (W.R.)
Great Northern Nekoosa
Greyhound
Grumman
Gulf Oil
Gulf Resources & Chemical
Gulf & Western Industries
Hammermill Paper
Handy & Harman
Harcourt Brace Jovanovich
Harnischfeger
Harris
Harsco
Hart Schaffner & Marx
Heileman (G.) Brewing
Heinz (H.J.)
Hercules
Hershey Foods
Heublein
Hewlett-Packard
Hobart
Honeywell
Hood (H.P.)
Hoover
Hoover Universal
Hormel (Geo. A.)
Hughes Tool
Hyster
IC Industries
Interco
Ideal Basic Industries
Idle Wild Foods
Ingersoll-Rand
Inland Steel
Insilco
Interlake
International Business Machines
International Harvester
International Minerals & Chemical
International Multifoods
International Paper
International Telephone & Telegraph

Johns-Manville
Johnson Controls
Johnson & Johnson
Jonathan Logan
Joy Manufacturing
Kaiser Aluminum & Chemical
Kaiser Steel
Kane-Miller
Kellogg
Kellwood
Kennecott Copper
Kerr-McGee
Keystone Consolidated Industries
Kidde (Walter)
Kimberly-Clark
Knight-Ridder Newspapers
Koehring
Koopers
Kraft
LTV
Land O'Lakes
Lear Siegler
Levi Strauss
Libbey-Owens-Ford
Liggett Group
Lilly (Eli)
Lipton (Thomas J.)
Litton Industries
Lockheed
Lone Star Industries
Louisiana Land & Exploration
Louisiana-Pacific
Lowenstein (M.)
Lubrizol
MAPCO
MCA
Macmillan
Magic Chef
Marathon Oil
Marmon Group
Martin Marietta
Maryland Cup

Masco
Masonite
Mattel
McCormick
McDonough
McGraw-Edison
McGraw-Hill
McLouth Steel
McDermott (J. Ray)
McDonnell Douglas
Mead
Memorex
Merck
Metromedia
Midland Cooperatives
Midland-Ross
Minnesota Mining & Manufacturing
Mobil
Mohasco
Monsanto
Moore McCormack Resources
Morton-Norwich Products
Motorola
Murphy Oil
NCR
NL Industries
NVF
Nabisco
Nalco Chemical
Nashua
National Can
National Distillers & Chemical
National Gypsum
National Service Industries
National Steel
New York Times
Newmont Mining
Norin
Norris Industries
North American Philips
Northrop
Northwest Industries

Northwestern Steel & Wire
Norton
Norton Simon
Occidental Petroleum
Ogden
Olin
Oscar Mayer
Outboard Marine
Owens-Corning Fiberglas
Owens-Illinois
PPG Industries
Pabst Brewing
Paccar
Pacific Resources
Parker-Hannifin
Peabody International
Peavey
Pennwalt
Pennzoil
PepsiCo
Perkin-Elmer
Pfizer
Phelps Dodge
Philip Morris
Phillips Petroleum
Pillsbury
Pitney-Bowes
Polaroid
Porter (H.K.)
Potlatch
Purex Industries
Quaker Oats
Quaker State Oil Refining
Questor
RCA
Ralston Purina
Raytheon
Reichhold Chemicals
Republic Steel
Revere Copper & Brass
Revlon
Rexnord

Reynolds (R.J.) Industries
Reynolds Metals
Richardson-Merrell
Robertson (H.H.)
Rockwell International
Rohm & Haas
Roper
Royal Crown Companies
SCM
St. Joe Minerals
St. Regis Paper
Saxon Industries
Schering-Plough
Schlitz (Jos.) Brewing
Scott & Fetzer
Scott Paper
Scovill
Seagram (Joseph E.) & Sons
Searle (G.D.)
Shell Oil
Sheller-Globe
Sherwin-Williams
Signal Companies
Singer
Smith (A.O.)
Smith International
SmithKline
Sonoco Products
Southwest Forest Industries
Sperry
Sperry & Hutchinson
Springs Mills
Square D
Squibb
Staley (A.E.) Manufacturing
Stanadyne
Standard Brands
Standard Oil of California
Standard Oil (Ind.)
Standard Oil (Ohio)
Stanley Works
Stauffer Chemical

Sterling Drug
Stevens (J.P.)
Stokely-Van Camp
Sun
Sun Chemical
Sunbeam
Sundstrand
Superior Oil
Sybron
TRW
Talley Industries
Tecumseh Products
Tektronix
Teledyne
Tenneco
Texaco
Texas Instruments
Texasgulf
Textron
Thiokol
Time Inc.
Timken
Tosco
Trane
Twentieth Century-Fox Film
Tyler
Union Camp
Union Carbide
Union Oil of California
Union Pacific
Uniroyal
United Merchants & Manufacturers
United Refining
U.S. Filter
U.S. Gypsum
U.S. Industries
U.S. Steel
United Technologies
Universal Leaf Tobacco
Upjohn
VF
Varian Associates

Vulcan Materials
Wallace Murray
Walter (Jim)
Warnaco
Warner Communications
Warner-Lambert
Washington Post
West Point-Pepperell
Western Electric
Westinghouse Electric
Westmoreland Coal
Westvaco
Weyerhaeuser
Wheelabrator-Frye
Wheeling-Pittsburgh Steel
Whirlpool
White Consolidated Industries
White Motor
Whittaker
Willamette Industries
Williams Companies
Witco Chemical
Wrigley (Wm. Jr.)
Wyman-Gordon
Xerox

From the Fortune 50 Largest Non-Industrials

Commercial Banking Companies

AmeriTrust Corp.	Republic of Texas Corp.
BancOhio Corp.	Republic New York Corp.
Bank of New York Co.	Seafirst Corp.
BankAmerica Corp.	Security Pacific Corp.
Bankers Trust New York Corp.	Southeast Banking Corp.
Chase Manhattan Corp.	Texas Commerce Bancshares
Chemical New York Corp.	Union Bank
Citicorp	U.S. Bancorp.
Continental Illinois Corp.	Valley National Bank of Arizona
Crocker National Corp.	Wachovia Corp.
DetroitBank Corp.	Wells Fargo & Co.
European American Bancorp.	Western Bancorp.
First Bank System	
First Chicago Corp.	
First City Bancorp. of Texas	
First International Bancshares	
First National Boston Corp.	
First Pennsylvania Corp.	
First Wisconsin Corp.	
Girard Co.	
Harris Bankcorp.	
Irving Bank Corp.	
Manufacturers Hanover Corp.	
Manufacturers National Corp.	
Marine Midland Banks	
Mellon National Corp.	
Mercantile Texas Corp.	
Michigan National Corp.	
Morgan (J. P.)	
NCNB Corp.	
National Bank of North America	
National City Corp.	
National Detroit Corp.	
Northern Trust Corp.	
Northwest Bancorp.	
Philadelphia National Corp.	
Pittsburgh National Corp.	
Rainier Bancorp.	

Transportation Companies

Alexander & Baldwin
Allied Van Lines
American Airlines
Arkansas Best
Bekins
Braniff International
Burlington Northern
Chessie System
Chicago, Milwaukee, St. Paul &
Pacific RR
Consolidated Freightways
Continental Air Lines
Delta Air Lines
Eastern Air Lines
Exxon Pipeline
Frontier Airlines
Leaseway Transportation
McLean Trucking
Missouri Pacific Corp.
National Airlines
Natomas
Norfolk & Western Ry.
Northwest Airlines
PSA
Pan American World Airways
Piedmont Aviation
RLC Corp.
Republic Airlines
Rio Grande Industries
Roadway Express
St. Louis-San Francisco Ry.
Santa Fe Industries
Seaboard Coast Line Industries
Seatrains Lines
Soo Line RR
Southern Pacific
Spector Industries
Trans World Corp.
UAL
Western Air Lines
Yellow Freight System

Retailing Companies

ARA Services
Albertson's
Allied Stores
American Stores
Associated Dry Goods
Borman's
Carter Hawley Hale Stores
Dayton Hudson
Dillon Companies
Eckerd (Jack)
Federated Department Stores
First National Supermarkets
Fisher Foods
Gamble-Skogmo
Giant Food
Great Atlantic & Pacific Tea
Kmart
Kroger
Lucky Stores
Macy (R.H.)
May Department Stores
Melville
Mercantile Stores
National Tea
Penney (J.C.)
Rapid-American
Revco D.S.
Safeway Stores
Sears Roebuck
Stop & Shop Companies
Supermarkets General
Waldbaum
Woolworth (F.W.)

Utilities

Allegheny Power System
American Electric Power
American Natural Resources
American Telephone & Telegraph
Arizona Public Service
Baltimore Gas & Electric
Carolina Power & Light
Central & South West
Cleveland Electric Illuminating
Columbia Gas System
Commonwealth Edison
Consolidated Edison
Consolidated Natural Gas
Consumers Power
Continental Telephone
Detroit Edison
Duke Power
Duquesne Light
El Paso
Florida Power & Light
General Public Utilities
General Telephone & Electronics
Gulf States Utilities
Houston Industries
Long Island Lighting
Middle South Utilities
Niagara Mohawk Power
Northeast Utilities
Northern Natural Gas
Northern Indiana Public Service
Northern States Power
Ohio Edison
Pacific Gas & Electric
Pacific Lighting
Pacific Power & Light
Panhandle Eastern Pipe Line
Pennsylvania Power & Light
Peoples Gas
Philadelphia Electric
Potomac Electric Power

Public Service Co. of Indiana
Public Service Electric & Gas
Southern California Edison
Southern Company
Texas Eastern Corp.
Texas Utilities
Transco Companies
Union Electric
United Telecommunications
Virginia Electric & Power